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# PREPARATIONS FOR THE FIFTH PROGRAMMING CYCLE

## Special Programme Resources: programming documents

## Report of the Administrator

# CONTENTS

Category Page

ABBREVIATIONS .......... 4

GENERAL INTRODUCTION .......... 7

A. DISASTER MITIGATION .......... 8

A1. Disaster preparedness and management .......... 12

A2. Emergency phase activities .......... 16

A3. Reconstruction and rehabilitation .......... 20

A4. Refugees, displaced persons and returnees .......... 22

B. THEMATIC ACTIVITIES .......... 26

B1. Poverty eradication and grass-roots participation in development .......... 26

B2. Environmental and natural resources management .......... 30

B3. Management development .......... 35

B4. Technical cooperation among developing countries .......... 40

B5. Transfer and adaptation of technology for development .......... 46

B6. Women in development .......... 51

C. OTHER SPECIAL AND/OR NEW ACTIVITIES .......... 56

C1. Human development report .......... 56

C2. Special Plan of Economic Cooperation for Central America .......... 58

C3. United Nations Programme of Action for African Economic Recovery and Development .......... 62

C4. Drug abuse control/crop substitution .......... 68

C5. Human immunodeficiency virus/Acquired immunodeficiency syndrome (HIV/AIDS) .......... 71

C6. Social dimensions of adjustment .......... 76

C7. World Conference on Education for All .......... 80

/...

CONTENTS (continued)

Category Page

C8. Private sector development .................................. 84

C9. Non-governmental organizations .............................. 88

D. AID COORDINATION ............................................ 94

D1. Round-table meetings and support to consultative group meetings ................................................ 94

D2. National technical cooperation assessments and programmes ..... 97

D3. Others, e.g., needs assessments, country programme reviews .... 100

D4. Country programming initiatives ............................. 103

E. PROGRAMME DEVELOPMENT ....................................... 107

E1. Project Development Facility ................................ 107

E2. Programme evaluation/training ............................... 111

E3. Programme research .......................................... 116

F. ASSISTANCE TO THE PALESTINIAN PEOPLE ......................... 121

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## ABBREVIATIONS

| | |
|---|---|
| ACC | Administrative Committee on Coordination |
| AfDB | African Development Bank |
| APPER | African Priority Programme for Economic Activity |
| BPPE | Bureau for Programme Policy and Evaluation |
| CDC | Centers for Disease Control |
| CSDHA | Center for Social Development and Humanitarian Affairs |
| DAC | Development Assistance Committee (OECD) |
| DMTP | Disaster Management Training Programme |
| DTCD | Department of Technical Cooperation for Development |
| ECA | Economic Commission for Africa |
| ECLAC | Economic Commission for Latin America and the Caribbean |
| EEC | European Economic Community |
| FAO | Food and Agriculture Organization of the United Nations |
| GATT | General Agreement on Tariffs and Trade |
| HABITAT | United Nations Centre for Human Settlements |
| HDI | Human Development Index |
| HIV/AIDS | Human immunodeficiency virus/acquired immunodeficiency syndrome |
| ICAO | International Civil Aviation Organization |
| IDB | Inter-American Development Bank |
| IDNDR | International Decade for Natural Disaster Reduction |
| IFAD | International Fund for Agricultural Development |
| INRES | Information Referral System (TCDC) |
| IGO | Intergovernmental organization |
| ILO | International Labour Organisation |
| IMF | International Monetary Fund |
| IPF | Indicative planning figure |
| ITC | International Trade Centre |
| ITU | International Telecommunication Union |
| JCGP | Joint Consultative Group on Policy |
| MDP | Management Development Programme |
| MTR | Mid-term review |
| NaTCAP | National technical cooperation assessment and programmes |

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|---|---|
| NGO | Non-governmental organization |
| OECD | Organisation for Economic Cooperation and Development |
| OPS | Office for Project Services |
| PAC | Project Appraisal Committee |
| PAHO | Pan American Health Organization |
| PDSD | Programme Development and Support Division |
| PDSM | Programme Development and Support Mission |
| PAPP | Programme of Assistance to the Palestinian People |
| RBA | Regional Bureau for Africa |
| RBASE | Regional Bureau for Arab States and Europe |
| SAP | Structural Adjustment Programme |
| SDA | Social Dimensions of Adjustment |
| SDN | Sustainable Development Network |
| SPR | Special Programme Resources |
| TCDC | Technical cooperation among developing countries |
| TOKTEN | Transfer of Knowledge through Expatriate Nationals |
| UNCDF | United Nations Capital Development Fund |
| UNCED | United Nations Conference on Environment and Development |
| UNCTAD | United Nations Conference on Trade and Development |
| UNCTC | United Nations Centre on Transnational Corporations |
| UNDCP | United Nations International Drug Control Programme |
| UNDMTP | United Nations Disaster Management Training Programme |
| UNDMT | United Nations Disaster Management Team |
| UNDP | United Nations Development Programme |
| UNDRO | Office of the United Nations Disaster Relief Coordinator |
| UNEP | United Nations Environment Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNFDAC | United Nations Fund for Drug Abuse Control |
| UNFPA | United Nations Population Fund |
| UNHCR | Office of the United Nations High Commissioner for Refugees |
| UNICEF | United Nations Children's Fund |
| UNIDO | United Nations Industrial Development Organization |
| UNIFEM | United Nations Development Fund for Women |
| UNISTAR | United Nations International Short-Term Advisory Resources |

| | |
|---|---|
| UNPAAERD | United Nations Programme of Action for African Economic Recovery and Development |
| UNV | United Nations Volunteers |
| WCEFA | World Conference on Education for All |
| WFP | World Food Programme |
| WHO | World Health Organization |
| WID | Women in development |
| WMO | World Meteorological Organization |

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## GENERAL INTRODUCTION

1. In accordance with decision 91/54 of 10 September 1991, the Administrator is submitting for approval programming documents for all 26 subcategories of the Special Programme Resources. The programming documents follow the structure indicated by the Governing Council in decision 91/3 of 22 February 1991.

2. The programming documents are being resubmitted for 23 subcategories. They have been revised in accordance with the views expressed by delegations at the meeting of the Standing Committee for Programme Matters during the resumed thirty-eighth session, held 16 to 20 September 1991 and in accordance with decision 91/54.

3. The programming documents being resubmitted represent the outcome of a further process of consultation, which has contributed to a more precise definition of the strategies and activities necessary for the SPR to fulfil the role of catalyst in helping to improve the quality and effectiveness of technical cooperation funded by UNDP.

4. In paragraph 9 of its decision 91/54, the Governing Council decided that, as an exceptional procedure, unless objections are raised by delegations at the special session of the Governing Council in February 1992, all revised documents (i.e., those for the 23 subcategories being currently resubmitted) will be considered approved by the Council.

5. Programming documents are being submitted for the first time for three subcategories. These are technical cooperation among developing countries (subcategory B4), the transfer and adaptation of technology for development (subcategory B5), and social dimensions of adjustment (subcategory C6). In the case of these three subcategories, the documents are being submitted for discussion prior to approval.

6. An evaluation of all subcategories will be undertaken for submission to the Governing Council within the first three years of the fifth programming cycle.

## CATEGORY A: DISASTER MITIGATION

### Introduction

1. This document begins by addressing the general issues surrounding the use of SPR funds for disaster-related activities. It then discusses each of the four subcategories of proposed activities in more detail. These four subcategories are: Disaster preparedness; Emergency phase activities; Reconstruction and rehabilitation; and Displaced persons, refugees and returnees. It should be noted that the title Emergency phase activities has replaced that of Emergency relief. This reflects the true nature of the activities carried out under the subcategory and the views expressed by members of the Standing Committee for Programme Matters at its in-sessional meeting held during the resumed thirty-eighth session of the Governing Council, 16-20 September 1991 (see document DP/1991/73).

### General issues applying to subcategories A1 to A4

2. Disasters occur when hazards, whether natural or man-made, interact with vulnerable populations. An emergency occurs when the dimensions of the disaster exceed the coping capacity of the affected community. The international community - including UNDP - is called upon to respond when the disaster's effects exceed the coping capacity of the country concerned.

3. Thus the occurrence of emergencies generally reflects acute socio-economic fragility and underdevelopment. They cause intense poverty and suffering, and their secondary effects can exact a crippling toll on the economies, let alone development objectives, of developing countries.

4. The advent of the complex emergency, where natural and man-made hazards interact, thus rendering remedial action vastly more complicated, has made the traditional distinctions between natural and man-made disasters increasingly untenable. Equally, perceptions of the interrelationships between disasters, the environment and development have become increasingly apparent, as have the desirability of heightened preparedness measures. In some cases the existence of adequate early warning systems is indispensable.

### The role of UNDP in disaster emergencies

5. This document is being prepared just prior to the plenary debate of the General Assembly at its forty-sixth session concerning the United Nations system's capacity with regard to emergency responses. Inevitably, therefore, some assumptions (based on the report of the Secretary-General on this matter to the General Assembly at its forty-sixth session) have had to be made regarding the outcome of this debate and, in particular, the roles of UNDP and of United Nations resident coordinators for operational activities throughout the disaster-to-development continuum.

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6. This debate is of key relevance to the SPR programme for disaster-related matters, as UNDP resident representatives have several roles with regard to both natural and man-made disasters. As Resident Coordinators for operational activities, they have a responsibility both for early warning activities and for the coordination of the in-country United Nations system response. As representatives of UNDRO and WFP, resident representatives are heavily involved in the relief phase. As representatives of UNDP, they administer projects with actual or potential roles in disaster mitigation.

7. Consequently, the following assumptions are made and are also reiterated in the Secretary-General's report:

(a) The roles of resident coordinators with regard to emergencies in general and with regard to the internally displaced as set forth in General Assembly resolutions 36/225 and 44/136 will remain; and the post of resident coordinator will continue normally to be filled by the resident representative;

(b) The links between disasters and development will continue to be emphasized, as will the consequent need for UNDP, as a development-oriented and field-based organization, to focus on the development aspect of this continuum, with particular emphasis on preparedness and recovery activities, while scrupulously respecting the division of labour between the organizations of the United Nations system;

(c) A senior United Nations official will most likely be nominated as overall coordinator of United Nations relief efforts, disposing of financial resources to fund the immediate response of the United Nations system pending the results of international appeals.

8. This development will make the resident coordinator's role even more important at the country level from three perspectives:

(a) Coordinating the country-level activities of the United Nations system during the emergency response phase;

(b) Ensuring the quick transmission of intersectoral and inter-agency damage and needs assessments to the office of the senior official charged with coordinating the United Nations system's response at the international level, thus facilitating a rapid United Nations system response and a consolidated approach to international appeals;

(c) Ensuring a smooth transition from relief to rehabilitation and reconstruction activities (including ensuring that these are undertaken with their development implications in mind).

## Use of United Nations system experience

9. United Nations system expertise will be a vital component in all aspects of disaster mitigation. Clearly, United Nations agencies have developed considerable expertise in various facets of disaster mitigation, in this case ILO, FAO, UNESCO, WMO, ITU, Habitat, UNHCR, UNICEF, UNDRO, WFP and WHO. As a

general principle, funds under the disaster-related activities category will not be approved unless the proposed activities have been fully discussed by the in-country United Nations Disaster Management Team (UNDMT), chaired by the resident coordinator. All of the organizations cited above have country-level representation and are automatically members of the UNDMT.

10. Many of the organizations listed above, in addition to UNDP, have drawn heavily upon UNV specialists for disaster-related activities, and this approach is expected to continue.

## Work with non-governmental organizations

11. While the closest collaboration with both indigenous and international NGOs is important for all UNDP work, nowhere is it more vital than in emergency management. Accordingly, a central principle of UNDP work in disaster mitigation is the closest collaboration with NGOs, including those dealing with groups with special needs (for example, women heads of household).

## Evaluation of disaster mitigation activities

12. In 1990, UNDP commissioned a study entitled "Disaster and Development: A Study in Institution-Building" (CEO Occasional Paper No. 3) which reviewed disaster mitigation activities in Bangladesh, Ecuador and Ethiopia. The conclusions of this study have been fully utilized in preparing the present programme document, particularly those presented under the disaster preparedness subcategory.

13. Additionally, in September 1991, the Central Evaluation Office and the UNDP Humanitarian Programme launched a thematic evaluation of emergency management with an emphasis upon the development dimensions of population displacement situations. While this evaluation has been undertaken with fourth cycle SPR funding, and with a view to implementing paragraphs 6, 7 and 8 of Governing Council decision 91/17 of 25 June 1991, its conclusions and recommendations, which will be available by the first quarter of 1992, will be of key importance in allocating funds made available under SPR subcategory A4 (Displaced persons, refugees and returnees).

14. Evaluation of relief grants with a maximum of $50,000 during the fourth cycle has proven difficult. Therefore the application of lessons learned to the proposals for the fifth cycle is more indirect. By the end of the fourth cycle, approximately 115 such grants will have been made and it would not have been cost-effective to launch conventional impact evaluations for even a significant percentage of these. Furthermore, UNDP is now proposing to broaden the use of this subcategory to include man-made disasters, as well as the strengthening of the resident coordinator's capacity to coordinate in-country United Nations system activities in response to both man-made and natural disasters. However, the attention of the Council is drawn to the provisions listed in paragraph 53 below to ensure that systematic feedback is received on the impact of UNDP grants made during the emergency phase and on the proposals for an evaluation of UNDP-supported activities in the emergency phase.

### Estimating the magnitude of disasters

15. The key question associated with the allocation of SPR funding is the issue of defining how prone a country is to disaster, which in turn depends on suitable measurements for estimating the scope of a disaster. A simple measurement of deaths arising from the immediate consequences of a disaster does not suffice, as it does not take into account the secondary and indirect effects of disasters, including the diversion of resources away from long-term development efforts and towards immediate relief and reconstruction activities. For example, an estimate of the direct effects of a disaster will take into account the destruction of factories and other places of employment but it will not measure the resulting unemployment. The following criteria will therefore be used for measuring the scope of a disaster:

(a) Casualties in immediate aftermath and lives at risk during the emergency phase;

(b) Number of people likely to be affected by direct consequences, in the short term, and indirect/secondary consequences, in the medium term, including displacement, taking into account:

  (i) Absolute numbers; and

  (ii) Numbers as a percentage of the affected country's population;

(c) Adverse economic effects; and

(d) Magnitude of social and environmental effects.

### The International Decade for Natural Disaster Reduction (IDNDR)

16. In its resolution 44/236 of 22 December 1989, the General Assembly declared the 1990s the "International Decade for Natural Disaster Reduction". The theme of the Decade is on preparedness for disasters through the development process. The first meeting of the IDNDR Scientific and Technical Committee (held in Bonn, Germany, in March 1991) re-emphasised the need for development-based disaster mitigation activities, as does the report of the Secretary-General on the IDNDR, presented to the General Assembly at its forty-sixth session.

### Ensuring project quality: procedures for design, approval and implementation

17. Some of the issues concerning project quality (for example, the need to reach the most disadvantaged sections of the population, and the need for gender sensitivity) are common to all UNDP-assisted activities.

18. In order to implement disaster mitigation activities (particularly those connected with the emergency phase) in a timely and professional manner, special procedures will be required, and this is emphasized in the Secretary-General's report to the General Assembly cited in paragraph 5

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above. This includes much faster and more flexible procedures for hiring staff and for procuring emergency supplies and inputs such as vehicles and radios. The revision of these procedures was included in the work plan of UNDP's Humanitarian Programme as endorsed in Governing Council decision 91/17 of 25 June 1991. Progress will be reported to the Council at its thirty-ninth session (1992).

19. UNDP recognizes that the nature of disaster-related activities, in particular those concerned with the response to emergencies, requires that procedures be applied with the utmost despatch. The need to ensure the greatest harmony of UNDP efforts with those of other donors (both inside and outside the United Nations system) requires the following special procedures:

(a) All projects with an SPR contribution of $100,000 or more will be reviewed by the Action Committee;

(b) Proposals for UNDP assistance must be reviewed by the in-country UNDMT;

(c) Particular attention will be given to evaluation of such activities, particularly in view of the urgent need for UNDP to build an institutional memory in disaster mitigation, while fully drawing upon resources available elsewhere in the United Nations system.

Additional procedures applying to individual subcategories are discussed below.

## The role of the UNDP Humanitarian Programme in managing this category

20. All proposals for allocations of SPR funds for disaster-related activities which require headquarters approval will be referred to the staff of the Humanitarian Programme for comment before funding decisions are taken. Specific management arrangements are detailed in the programming document for each subcategory under disaster mitigation.

Subcategory A1: Disaster preparedness and management

Earmarking: $10 million

### Allocations during the fourth programming cycle

21. It was not until June 1989 that the Governing Council first allocated SPR funds specifically for disaster preparedness. In the subsequent period, through September 1991, the Administrator made allocations totalling $1,610,000. Of these allocations, by far the largest was $1,417,000 for the first stages of the Disaster Management Training Programme (DMTP) and for the preparation of the UNDP/UNDRO Disaster Manual. Additionally, at the end of the fourth cycle, approximately $1.2 million in bilateral cost-sharing contributions had been pledged for the DMTP. Of this amount, $806,000, which had actually been deposited, was also programmed, bringing the total

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allocation to $2.2 million for the DMTP, of which approximately 60 per cent is currently funded from the SPR.

## General description and purpose

22. Disaster preparedness represents an essential initial step along the disaster relief-to-development continuum. It assumes that vulnerable groups will still be exposed to the consequences of disaster hazards, but that measures can be taken to reduce the full effect of such hazards both before and in the aftermath of impact.

## Objectives and strategies

23. The specific objectives of this subcategory are to stimulate the interest and actions needed to create comprehensive disaster preparedness plans, strategies and structures and to promote disaster mitigation activities within the context of development planning and implementation.

24. The strategy for achieving these objectives will be as follows:

(a) *Formal training*. UNDP and UNDRO, in collaboration with UNICEF, UNHCR, WFP and WHO, are implementing the DMPT, which, both at the regional and country level, is designed to bring government representatives into training forums in which they and United Nations representatives develop a clearer understanding of the dynamics of disasters and ways to deal with them;

(b) *Background preparation*. Effort must be expended by UNDP field offices to inform senior government officials in planning ministries and elsewhere of the potential for various approaches to disaster mitigation, prevention and preparedness. An additional vital component of improving disaster mitigation approaches is the preparation of quantified hazard and risk assessments which, *inter alia*, serve to make the economic case for investment in disaster mitigation;

(c) *Response follow-through*. Follow-through at the response phase of a disaster can stimulate Governments' interest in more effective alternatives for dealing with man-made or natural disasters.

## General guidelines

25. Successful activities in this subcategory should result in action by Governments to implement measures needed to introduce and/or strengthen cross-sectoral and government-wide disaster prevention and preparedness strategies.

26. Further evidence of success will be demonstrated by subsequent government support of such disaster prevention and preparedness measures through their

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own resources, supplemented, as necessary, by IPF or other donor-funded projects.

27. Preparedness may encompass the following three types of activity (in some cases conducted as post-disaster evaluations):

(a) Hazard and risk assessment activities, through which populations and development assets at risk can be assessed in a quantitive manner. This in turn enables recommendations regarding an integrated and cost-effective programme for disaster mitigation;

(b) Such free-standing institutional activities as strengthening relief and rehabilitation institutions, drought and flood forecasting and other early warning systems;

(c) Integrated approaches to disaster prevention and preparedness which link prevention and preparedness with longer-term development. This could include development programme reviews to determine how best preparedness measures could protect development projects and how development projects could incorporate aspects of preparedness.

28. The types of activities to be financed would include: (a) consultants' evaluations of needs; (b) formal and informal training activities designed to introduce relevant disaster prevention and preparedness activities, including conferences and workshops; (c) study tours to other countries or institutions where practical demonstrations of disaster prevention and preparedness activities can be witnessed. All such inputs should be clearly part of a strategy leading to enhanced disaster mitigation capabilities at country and subnational levels.

29. Allocations will be limited to sensitizing and strategy-formulation activities and should not be seen as a resource for undertaking disaster prevention and preparedness projects *per se*. A maximum allocation of $250,000 per country for the cycle will normally be applied.

30. The central concept of this approach is that SPR funds should serve as a catalyst to create the necessary conditions to lead to follow-up activities for the implementation of disaster mitigation strategies. In those cases where UNDP support is involved, IPFs will be the source of funding.

## Specific Criteria for approving the use of SPR funds

31. The criteria for estimating the magnitude of disasters listed in paragraph 8 above will be used to estimate the country's historic pattern of disaster vulnerability over the past 20 years. Preference will be given to those countries that exhibit the highest degree of vulnerability.

## Individual activities: design, approval and implementation

32. Nowhere will the catalytic nature of SPR funding be more important than under this category. Requests will therefore be examined from the perspective of how the proposed SPR funding may lead to follow-up support from host government resources, IPF resources or indeed other donor support. Furthermore, requests will need to specify the types of hazards (and their impact on groups of the population, including women and children) that disaster preparedness measures should address. The document also should identify: potential linkages between disaster preparedness activities and related developmental issues; the types of participants anticipated to be involved in project activities; and the intended sensitization and strategy formulation techniques.

33. An indicative - but not exhaustive - list of the types of economic and social consequences of disasters upon the development process is given below as examples of the types of issues needing to be addressed in utilizing SPR funds in promoting enhanced disaster mitigation measures:

(a) Risk of direct effects: loss of life; damage to state and private buildings, infrastructure, inventories and crops; costs of rescue, relief and emergency medical care operations; cost of restoring basic services and utilities;

(b) Risk of indirect effects: temporary loss of, or decline in, production and the provision of services; loss of income and revenue due to temporary loss of employment in production, trade and other service sectors; increased cost of goods and services; opportunity costs as human and other resources are diverted to emergency management and rehabilitation; disruption of education, training or other social or economic development programmes;

(c) Risk of secondary effects: increased aid dependency; loss of markets and increase in structural unemployment; possible temporary economic boom related to post-disaster assistance, leading to inflation; medium-term damage to revenues from tourism.

34. It is recognized that SPR assistance will not provide adequate resources to estimate accurately all of the economic risks listed above. Conversely, SPR assistance will assist in demonstrating country-specific linkages between disasters and the types of economic consequences listed above.

## Funding requirements

35. Over the fifth cycle, $10 million in SPR funding has been allocated for disaster preparedness projects. Assuming that the first year of the fifth cycle will involve promoting the overall project's concept at the field-office level, expenditures are limited during the first year (except for the DMTP, which itself has promotional objectives), will expand during the second and third years and level off during the last two years of the cycle.

| | 1992-1993 | 1994-1996 |
|---|---|---|
| | (US dollars) | |
| Disaster Management Training Programme | 1 000 000 | -- |
| Country projects | 2 500 000 | 6 150 000 |
| Evaluations | 100 000 | 250 000 |
| Total | 3 600 000 | 6 400 000 |

36. The approval of $1 million in fifth cycle SPR funds to the UNDP-administered budget for the DMTP, making a total SPR contribution of $2.4 million for the DMTP out of a projected total requirement of $4.8 million, will limit SPR support to approximately 50 per cent, with the balance coming through cost-sharing from bilateral donors. The projected number of UNDP/United Nations system trainees under specific DMTP courses is approximately 800, of a total of over 2,000 trainees at the regional and country level.

Subcategory A2: Emergency phase activities

Earmarking: $7 million

### Allocations during the fourth cycle

37. During the fourth cycle (up to 30 September 1991), 110 allocations for emergency response were approved. Assuming a similar level of allocation during the balance of the cycle, a total of approximately 115 allocations in response to natural disasters may be anticipated for the whole cycle.

### General description and purpose

38. The justification of the use of SPR funds in response to disasters remains the same as in previous cycles: the timing and magnitude of natural hazards cannot be predicted. Consequently, the Administrator has to dispose of centrally administered funds to enable UNDP to respond rapidly and effectively to such events when they occur. This argument applies with equal force to man-made disasters and emergencies.

39. It is recognized that UNDP is not a primary source of material relief to affected populations. The central involvement of UNDP at the emergency phase derives from the fact that UNDP resident representatives act both as resident coordinators as well as UNDRO representatives. Resident coordinators have been entrusted by the General Assembly with the task of in-country coordination of the response of the United Nations system. In a significant number of cases, host Governments and in-country representatives of bilateral

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donors have requested resident coordinators to assist Governments with the in-country coordination of the response of the donor community as a whole. In exercising this function, resident coordinators rely heavily on the support services of the UNDP field office, thus greatly strengthening the essential linkages between emergency response and development.

40. The most immediate need of field offices in countries affected by disasters and emergencies is frequently the strengthening of human and other resources to provide direct support to Governments in the immediate task of rapid assessment of the impact of a disaster as well as the identification of critical needs for international support. UNDP staff will not normally be involved in carrying out needs assessments, but will rather support the resident representative/resident coordinator in his/her coordination role, the most important dimension of which is to ensure that a consolidated and intersectoral assessment process is undertaken with the minimum of delay. A consolidated and intersectoral assessment process is a sine qua non for a consolidated and intersectoral United Nations system appeal.

41. During the fourth cycle, UNDP has been able to use SPR funds to provide immediate inputs to assist those affected by natural disasters. While allocations have never exceeded $50,000, they have in the past provided a means by which UNDP can directly assist people affected by natural disasters in the immediate post-disaster phase.

42. Both the symbolic and the practical effects of such support are therefore extremely important; however, the catalytic effect of small grants should also be noted. For example, following the floods in China in 1991, UNDP approved a $50,000 grant from SPR resources. Bilateral funds of an additional $7.2 million were subsequently channelled through the UNDP field office for activities in the relief phase.

43. SPR allocations in the fifth cycle for the emergency phase will not be made for the purchase of relief commodities whose provision falls within the mandate of another United Nations funding agency. It should also be noted that UNDP resident representatives will have the authority to dispense cash grants which provide the flexibility to meet critical gaps very early in the relief phase. As already indicated, no allocations will be made without full discussion at the level of the in-country United Nations Disaster Management Team, whose membership includes the country representatives of FAO, UNHCR, UNICEF, and WHO as well as the Director of Operations of WFP.

44. It is also proposed to use these funds to react to man-made emergencies and disasters as well as natural disasters.

45. The General Assembly may wish to establish a centrally administered fund with the specific purpose of enabling the United Nations system to respond immediately to emergency-phase activities, pending the receipt of funds from international appeals. Funds may thus be available for strengthening the coordination capacity of the resident coordinator during emergency operations. If this is the case, the Administrator may recommend that funds under this category be reprogrammed into SPR categories A1, A3 and A4.

## Objectives and Strategies

46. The specific objectives of this subcategory are:

(a) To provide short-term human and other resources to support the resident coordinator in his/her coordination functions during the relief phase of a disaster or emergency;

(b) To provide support services to enable the rapid deployment of relief supplies and equipment to the affected population (for example, transport costs from the place of unloading to the affected area);

(c) To provide limited direct assistance to affected populations, provided any commodity assistance does not fall within the mandate of other United Nations system organizations.

## General guidelines

47. Project quality and impact is measured by the extent to which it directly or indirectly assisted those immediately affected by disasters. However, such assistance will often depend in turn upon an effective assessment of immediate needs and entails a well-orchestrated response from the United Nations system. It should be noted that funding for assessments involving population displacement will be provided from SPR subcategory A4: Displaced persons, refugees and returnees.

48. The activities to be financed are those related to facilitating activities during the emergency phase. In addition to filling relief gaps not being filled by other United Nations organizations, SPR funds could be used for logistic support and/or transport costs to facilitate the in-country distribution and delivery of commodities purchased from other sources. Preference would be given to the purchase of inputs and services in the local market, to ensure a rapid response.

49. Where Governments request assistance to undertake rapid needs assessments, SPR funds can be used to provide immediate support expertise, as well as to deploy equipment directly related to the assessment process (for example, data-processing equipment or communications equipment). In most cases, these inputs would be oriented towards the formulation of a government appeal for international assistance. Local expertise would be hired wherever possible to ensure a rapid response.

50. All countries in receipt of regular UNDP assistance that have suffered a significant emergency (see para. 52 below) are eligible for assistance.

51. There is no direct complementarity between this category and the use of IPF funds. SPR funds are to be used for specific and situationally discrete events. However, UNDP involvement in such disasters should enable UNDP to stress the importance of disaster preparedness and disaster management. At

the same time, UNDP could promote recognition of the concept that disaster relief and development are part of the same continuum.

### Specific criteria for approving the use of SPR funds

52. The use of SPR for the project will be dependent upon the following criteria (which will have the effect, in some cases, of limiting SPR support to less than the $50,000 maximum):

(a) Evidence that an emergency exists. This can be based upon an UNDRO appeal or, in agreement with the Government, a decision by the United Nations Disaster Management Team. For the purpose of emergency relief allocations, the scope of the disaster will be judged by the absolute number of people who are in life-threatening situations together with the percentage of the country's population that this number represents;

(b) Evidence of unmet needs for the relief phase which could be met partly or wholly by UNDP inputs. Alternatively, Governments may request UNDP support to facilitate the identification of relief needs;

(c) Emergency phase inputs funded by UNDP must be provided within a period of three months, and, within this subcategory, will not involve reconstruction or rehabilitation activities.

### Individual activities: design, approval and implementation

53. In light of the paramount need for speedy response, an initial project document will not be required. However, a short project document must be prepared and signed within three months of approval of the allocation. There should also be evidence that the field office has, in conjunction with the Disaster Management Team and the Government, devised specific parameters for the use of the allocation and that these are in accordance with the criteria listed in paragraph 52.

54. A decision regarding approval will be made by UNDP headquarters within 48 hours of the request. The parameters for this category will be submitted to the Governing Council for its approval. Programme and administrative instructions will then be formulated, with particular attention to accountability provisions. It is the intention of the Administrator to delegate approval of allocations under this subcategory to resident representatives.

55. In the aftermath of implementation, the UNDP field office, in consultation with the Government and UNDMT will undertake a review of the project, specifically noting the activities that were undertaken, evaluating their impacts, and providing lessons learned. The field office will forward this review to UNDP headquarters within three months of implementation. An evaluation of UNDP activities in the emergency phases of disasters will be undertaken in 1993.

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## Funding requirements

56. It is impossible to predict the occurrence of disasters and hence the calls upon these funds. However, assuming an allocation of $50,000 for each emergency that qualifies for SPR assistance, the $7,000,000 available will allow the Organization to respond to 140 emergencies over the five-year period.

57. It is assumed that disbursements against this heading can be equally prorated between the years of the cycle. Consequently, $2,750,000 will be required in 1992-1993 and $4,250,000 will be required in 1994-1996.

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| Subcategory A3: | Reconstruction and rehabilitation |
| Earmarking: | $18 million |

## Allocations during the fourth cycle

58. During the first four years of the fourth cycle, 43 allocations were made for this subcategory. On the assumption that the allocation rate for 1991 will be similar to the situation in each of the preceding years, it is assumed that approximately 50 allocations will have been made by the end of the current cycle.

## General description and purpose

59. The purpose of allocations for reconstruction and rehabilitation is to provide technical cooperation to Governments in repairing the damage caused by disasters to the economic and social infrastructure. An important principle of such activities is that they should take full advantage of lessons learned in that disaster: reconstruction and rehabilitation must go beyond replacement by equally vulnerable assets.

## Objectives and strategies

60. The specific objectives are to provide assistance to affected populations in the rehabilitation and reconstruction of development assets, including means of production, and to provide assistance to Governments in the appraisal of effectiveness of existing measures designed to reduce vulnerability with a view to applying lessons learned to reconstruction and rehabilitation activities.

## General guidelines

61. Activities to be funded are those directly supportive of the restoration of assets following a disaster. Equally, the rules governing UNDP-funded inputs to IPF-funded projects will apply fully to these projects.

62. All countries in receipt of UNDP assistance and which have suffered significant economic damage as a result of a disaster will be eligible for assistance. During the fourth cycle, in approximately one half of the cases where UNDP provided emergency relief assistance, this was followed by assistance with rehabilitation and reconstruction. It is anticipated that the same ratio will apply during the fifth cycle.

63. The principal limitation on the use of these funds is that such use must be in response to a disaster which has caused significant economic damage.

64. It should be noted that it is not the purpose of SPR rehabilitation and reconstruction funds to improve the performance of the affected development infrastructure (with the exception of the reduction of vulnerability referred to above). The improvement of performance is properly undertaken with IPF resources, and indeed SPR and IPF resources could well be jointly used where the objectives go beyond reconstruction and rehabilitation.

## Specific criteria for approving the use of SPR funds

65. Reconstruction and rehabilitation activities tend to be capital-intensive in nature and the infrastructure affected represent valuable development assets. It is therefore incumbent upon the resident representative to consult fully with those organizations rendering capital assistance to the affected country, preferably through the mechanism of UNDMT. The resident representative will be required to certify that the proposed reconstruction and rehabilitation activities presented for UNDP assistance are the product of a review by the Government of the vulnerabilities exposed by the disaster in question. Alternatively, such an assessment could form the early stages of a reconstruction and rehabilitation project with the results of such a review providing the necessary data for the later stages of the project.

66. The prevailing criteria for decision-making regarding SPR allocations shall be those listed in paragraph 8 above, with the exception of the first criterion, which applies only to the emergency phase.

## Funding requirements

67. As with the emergency phase subcategory, it is impossible to estimate in advance the occurrence of emergencies and consequently to which countries allocations will be made. During the first two and a half years of the cycle, the average allocation was $561,000 while the maximum possible was $1.1 million. From June 1989 to December 1990, the ceiling varied between $200,000 and $500,000, and the average allocation dropped to $407,000. The implications of this pattern are that UNDP has been unable to respond at the normal maximum level ($1.1 million) to disaster emergencies of unusual magnitude.

68. The funds available ($17 million) would allow an average allocation of only $340,000, assuming the same number of economically destructive disasters as in the fourth cycle.

69. As with the emergency phase subcategory, funding requirements can be prorated over the period of the cycle. Consequently, $6,800,000 will be required in 1992-1993, and $10,200,000 will be required in 1994-1996.

Subcategory A4: Refugees, displaced persons and returnees

Earmarking: $5 million

### Allocations in the fourth cycle.

70. In June 1990, the Governing Council allocated $500,000 for this subcategory during the balance of the fourth cycle. During the first three quarters of 1991, funds totalling $655,000 were approved for activities in six countries.

### General description and purpose

71. The problem of uprooted persons in the world today is massive. An estimated 16 million persons have been forced to flee their country and become refugees. During 1990, perhaps 100,000 refugees were able to return home. The primary group of internally displaced persons for whom the resident coordinator has responsibility in the United Nations system are those displaced in situations in which man-made factors were a major or the major cause. A reasonable estimate of their numbers is 20 million persons.

### Objectives and strategies

72. Specific objectives in this subcategory include:

(a) To aid in the rehabilitation, reconstruction and long-term development of areas affected by large refugee movements.

(b) To aid in the effective reintegration of returnees to their country, especially regarding economic and development activities.

(c) To support the resident coordinator in carrying out the mandate for coordination of assistance to displaced persons, in both the relief and post-relief phases.

(d) To fill quickly crucial gaps which cannot be met from other United Nations system resources for emergency phase assistance to internally displaced persons.

73. The strategy for UNDP involvement with refugees is to facilitate and participate in the steps required to create effective development-oriented projects that generally include both refugees and local residents and to help seek additional funding to carry out such projects. For returnees, the UNDP strategy is to facilitate the reintegration of the returnees into the local economy.

74. For internally displaced persons, the strategy is to use SPR funds to provide the resources needed to implement relief efforts quickly and effectively in the essential early stages and consider other funding sources to provide funds to support action beyond this start-up period. Thus, funds are to be made available quickly and flexibly in order to respond to the needs on the ground in each situation. This includes funds to support the resident coordinator's role in the overall coordination of assistance as well as funds for immediate, crucial gap-filling assistance during the emergency phase which cannot be met from other United Nations system resources. Again, if the General Assembly were to establish a centrally administered fund for United Nations system relief activities, UNDP would cease to make allocations for this purpose.

## General guidelines

75. Successful UNDP aid projects for refugees must be well conceived and adequately funded and should lead to a demonstrable reduction in the negative impact of refugees on the local population. Successful efforts regarding returnees should produce projects that integrate them into the economic and social structures of the community. Efforts regarding the internally displaced should result in quicker and more effective United Nations system-wide response, with donors receiving credible information quickly in order to make appropriate funding decisions.

76. For refugees and returnees, UNDP will facilitate inter-agency needs assessments and project development activities and follow-up work to seek additional donor funds for such projects.

77. For internally displaced persons, assistance will be provided to the resident coordinator in carrying out such coordination roles as assessment, monitoring of assistance, rational allocation of relief resources and liaison with donors. Examples of use would include temporary hiring of personnel, procurement of vehicles and communications equipment, funding of assessment and other relevant studies (for example, transport studies) and costs of maintaining staff in field sites.

78. Also required for internally displaced persons is the provision of material assistance (for example, food, medicine, shelter materials, drinking water, logistics support, if needed, to fill immediate, critical needs) provided that such needs cannot be met from other United Nations system sources in the timeframe required.

79. Funds for refugee and returnee activities are for the formulation of projects and not to fund the projects thus developed. SPR funds should be used only when the costs cannot be covered by either UNHCR or another special funding source.

80. Funds for relief activities for the internally displaced will be subject to the same limitations and conditions as are proposed for subcategory A2. Emergency relief.

81. SPR funds for refugees and returnees are meant to help formulate projects that will be funded by non-SPR sources, which may, in some circumstances, include IPF funds. For internally displaced persons, Governments may choose to use IPF funds to expand and continue the coordination functions initially supported through the SPR.

## Specific criteria for approving the use of SPR funds

82. For activities regarding refugees and returnees, SPR funds in this subcategory are to be utilized for the costs of needs assessment and project development only. They are to be expended within six months of approval. Funds are limited to a maximum of $50,000 per emergency.

83. For support to the resident coordinator in coordinating assistance to internally displaced persons, SPR funds in this subcategory are to be disbursed within one year of approval and funding is limited to a maximum of $100,000 per displacement situation. Funding for continuation of these activities must be sought from other sources.

84. For activities to fill gaps in assistance to internally displaced persons: the material assistance is to be provided to the displaced persons themselves or jointly to these persons and those adversely affected by their arrival. The resident coordinator is to certify that the needs addressed are crucial, that the proposed allocation has been fully discussed at the UNDMT level, and that simultaneous with the provision of this aid, other sources are being sought if required, to address these needs beyond the period covered by UNDP inputs. Funds are to be disbursed within six months of approval and are limited to a maximum of $50,000 for each displacement situation.

## Individual activities: design, approval and implementation

85. The procedures for project approval will be the same as those applying for the subcategory A2. Emergency relief.

86. Monitoring of these projects will be conducted by the local field office in accordance with standard UNDP procedures. However, the same additional procedures foreseen for the subcategory A2. Emergency Relief (see para. 55 above) are to be followed for this category.

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### Funding requirements

87. Over the fifth cycle, $5 million will be available for this subcategory. It is impossible to predict how many people will be uprooted and in how many countries over the next five years. However, if the current rate continues, these funds will certainly be fully utilized. Although calls for funds are, of course, determined by the occurrence of emergencies, they may nevertheless be prorated as follows: $2 million for 1992-1993 and $3 million for 1993-1996.

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## CATEGORY B: THEMATIC ACTIVITIES

Subcategory B1: Poverty eradication and grass-roots participation in development

Earmarking: $20 million

### General description and purpose

1. At its special session in February 1991, the Governing Council decided to earmark $20 million from the SPR to expand and strengthen the cooperation which UNDP is able to provide to Governments in the area of poverty eradication and grass-roots participation. This will enable UNDP to respond to demands from Governments and UNDP field offices, both as a source of technical expertise and information and as a mobilizer of additional financing.

2. During the fourth programming cycle, no SPR funding was made available specifically for poverty eradication and grass-roots participation as such. However, in 1988 SPR funding was made available to launch the Partners in Development Programme. This is a grant programme designed to support initiatives in a selected number of countries, undertaken by NGOs and community-based organizations. Most of the initiatives financed so far under this programme have been geared to community-based development, including income-generating poverty eradication projects.

### Objectives and strategies

3. Poverty eradication and grass-roots participation refer to processes whose objectives are (a) to enable people to initiate action for self-reliant development and acquire the ability to influence and manage change within their society; and (b) to implement policy measures and operational activities designed to enlarge and sustain the possibilities of disadvantaged groups to satisfy their basic needs, to articulate their development concerns at the policy-making level, and to develop their full potential to lead productive, dignified and creative lives in accord with their needs and interests. Although it is important for the success and sustainability of any development strategy, a comprehensive policy for grass-roots participation is an essential part of any viable approach to poverty eradication.

4. To address these multidimensional aspects, UNDP will work with Governments, academic and technical institutions, NGOs and communities to develop and implement innovative strategies, programmes, organizational approaches and specific activities aimed at promoting poverty eradication and grass-roots participation. The objectives to be pursued under the SPR poverty eradication programme include the development and testing of concepts and methods, and their mainstreaming during the fifth cycle so that they become fully integrated into UNDP programmes and projects.

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## General guidelines

5. Project quality and impact will be guided by the global policy framework set by the Governing Council and by national policy frameworks set by recipient Governments. Particular attention will be paid to identifying indicators for assessing impact on the poorest segments of the society, including people's own perceptions of this impact.

6. Activities will be undertaken at headquarters and at the national level and will consist of the development of new concepts and methods and direct support to pilot and demonstration work. Examples of the areas in which activities will take place are the following:

(a) At the macro policy level, support will be given to analyses of existing national and regional experiences, including the relationship between macroeconomic policies and poverty. Linkages between poverty and other priority themes will also be explored in the context of the development of country strategies for poverty eradication. Poverty profiles will be undertaken on a pilot basis, involving an analysis of the national poverty situation, institutional setting and resource allocation, and an assessment of the effectiveness and equity of delivery systems for social services. Support will be provided for the incorporation of poverty alleviation concerns in national strategies, NaTCAPs and particular cross-sectoral and sectoral programmes or projects, as well as policies which encourage grass-roots participation in development. Sectoral programming will include initiatives to enhance the role of community-based groups and intermediary organizations in social service delivery;

(b) Strategies will be developed to enhance the effectiveness of UNDP support for self-help initiatives and the dialogue between Governments and grass-roots organizations, including the development of decentralized political and administrative systems and legislative frameworks; to promote participatory approaches to development, including community-based management and participatory evaluation; and to promote the development of an enabling environment and access to resources for community-based organizations and intermediary groups, particularly NGOs committed to participatory development;

(c) Strategies will be developed to support Governments in increasing the access of the poor to productive assets, including land, credit, employment and information, and in focusing on the "popular economy", through targeted microcredit, savings and guarantee schemes for the self-employed, community groups and microenterprises; on land distribution and titling; and on the establishment of demand-driven systems of advice and technical cooperation for the poor;

(d) The Partners in Development Programme will continue to provide direct support to indigenous NGO and community-based projects, including those involving field workers of the UNV Domestic Development Services. Data and experience from four years of operations, field office's evaluation and an independent evaluation carried out in late 1990 will be fed into a wide range

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of UNDP poverty eradication activities. In particular, the recommendations of the independent evaluation will be helpful in shaping the future direction of the Programme. Most important among these were the need to seek co-financing for projects, to monitor more closely the activities funded, and to support institutional strengthening of community groups and NGOs.

7. Much of the above calls for a focus on social learning and adaptation to local diversity, requiring experimentation, new approaches and new partners. It will be important to promote exchanges of information, networking and distillation of experience for further application.

8. All countries will have access to SPR-supported poverty eradication and grass-roots participation initiatives. However, priority will be given to those countries which demonstrate a commitment to national action in this area and which are willing to devote part of their IPF to the same purposes.

9. No limitations are foreseen. Not more than 50 per cent of the resources will be allocated to any one region.

10. UNDP will be actively exploring the possibilities of close cooperation with other United Nations specialized agencies which have set up programmes focusing on poverty eradication and grass-roots participation. These include CSDHA, the Department of International Economic and Social Affairs, FAO, Habitat, IFAD, ILO, UNFPA, UNICEF, WFP and the World Bank. UNDP will also draw on experience of pilot analyses being carried out by JCGP.

11. SPRs are to be used in the fifth programming cycle to assist Governments which demonstrate their commitment to poverty eradication and grass-roots participation by using their IPFs as well as to develop initiatives for financing by regional and interregional IPFs. Thus, SPR funding would be a catalyst, as well as a means of mainstreaming the UNDP commitment to poverty eradication as part of its overall human development approach. In that broad framework, the focus will be on (a) country-level priorities, country programmes and long-term indigenous capacity-building in the design of actions aiming at poverty eradication; and (b) strengthening national capabilities for diagnosing and assessing information and policy analysis. The strategy will also seek to build on the comparative advantages of UNDP including the ability to focus and coordinate technical cooperation on problems identified at the country level from a number of different sources; and to network and facilitate the exchange of experience. Poverty eradication initiatives will be to a large extent trans-sectoral, and cut across more than one of the areas of focus listed in paragraph 7 of Governing Council decision 90/34.

## Specific criteria for approving the use of SPR funds

12. The criteria for approving the allocation of resources to the particular programme components will include:

(a) Priority to components designed in the spirit of popular participation and centred on and managed by people;

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(b) Demonstrated relationship between the problem(s) to be addressed by the proposed activity and poverty eradication;

(c) Catalytic role of the proposed programme component with respect to national capacity-building and resource mobilization in the area of poverty eradication and grass-roots participation;

(d) Positive potential impact of proposed programme components on the effectiveness of UNDP-funded activities at country and/or at the regional and interregional levels;

(e) Consistency of the proposed programme components with UNDP appraisal criteria;

(f) Expressed support of grass-roots organizations for programme components focusing on provision of services to specific community groups.

## Individual activities: design, approval and implementation

13. The Programme Development and Support Division, designated as the focal point for poverty eradication, will serve as coordinator of the programme, working closely with the regional bureaux and other units concerned. PDSD will prepare programme documents for each of the major components described above. A PAC comprising representatives from the Regional Bureaux and BPPE will appraise these programme documents before their submission for approval to the Action Committee. Individual activities meeting the criteria set by the approved programme documents will be identified by Field Offices, Bureaux and PDSD and developed collaboratively into project documents which will be reviewed and approved by the PAC.

14. Overall monitoring and evaluation of the programme will be carried out according to the procedures outlined in paragraph 12 of document DP/1991/64. BPPE will coordinate periodic reporting to the Governing Council.

## Funding requirements

15. The SPR funding requirement for poverty eradication and grass-roots participation amounts to $20 million for the fifth programming cycle. For the two years 1991 to 1993, the SPR funding requirement will amount to $8 million.

16. This funding will provide for (a) national and international consultants, subcontracts with institutions, organizations and NGOs for the preparation, elaboration and launching of activities in the areas delineated above; and (b) grants in the framework of the Partners in Development Programme.

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Subcategory B2: Environmental and natural resources management

Earmarking: $25 million

General description and purpose

17. UNDP has been playing an expanding role in coordinating and implementing global, regional and national environmental programmes during the fourth cycle. This has required the mobilization of additional resources for technical cooperation to support demands for capacity-building and for the transfer of environmentally benign technologies and know-how to developing countries. SPR funding has served as a catalyst by helping to mainstream activities funded by IPF or other cost-sharing arrangements. These resources have also helped to improve the quality of UNDP technical cooperation by promoting a better integration of environmental and developmental considerations into UNDP programmes. Partly as a result of these efforts, many advisory notes for the fifth cycle include the environment as one of the major areas for UNDP involvement in country, regional and interregional programmes.

18. The availability of fourth-cycle SPR funding and bilateral cost-sharing has enabled UNDP to launch several important training and policy formulation initiatives. Most of these activities have been under way for only a short period of time but the results are already visible. The formulation of the Environmental Management Guidelines (EMG) has been tested with the involvement of government counterparts and United Nations specialized agencies in the field. Although the EMG are primarily intended for training development practitioners in developing countries, these guidelines will serve as instruments through which to promote United Nations system collaboration and coordinated, multidisciplinary programming in environment at the field level. Another initiative, the Sustainable Development Network (SDN) is aimed at creating mechanisms for the exchange of information on successful environmental practices and technologies among interested parties in developing countries. In its preparatory phase, the Sustainable Development Network (SDN) has generated much interest and support as a tool for promoting the participation of national populations in policy formulation and decision-making. With partial financing from the Government of Norway, UNDP undertook a series of environment and sustainable development workshops around the world. These activities have resulted in follow-up programmes of technical cooperation and planning by Governments. At the request of Governments of developing countries, UNDP has also contributed to their preparations for participation in UNCED. The results of this assistance have been most visible in the participatory process which UNDP has supported, especially with NGOs, academic institutions, the private sector and other national and local groups.

19. Other important activities have also been instrumental in advancing environmental policy. One example is the ozone protection initiatives in support of countries considering signing and ratifying the Montreal Protocol. Another example is the support given to a high-level task force charged with the responsibility of recommending appropriate institutional mechanisms for greatly expanded tropical forestry research.

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20. The implementation of SPR activities related to the environment in the fourth cycle has had the following features: the request for support has been generated at the country level; the process has been participatory; the programming of activities has been carried out in consultation with the regional bureaux; activities have been complementary to other ongoing processes in the country; activities have generated follow-up initiatives in the country; activities have helped to raise environmental awareness; the SPR funding intervention has been relatively small and complementary to government or other funding sources (IPF, national or third-party cost-sharing, pre-investment funds from financial institutions, Global Environment Facility, the Multilateral Fund for the Protection of the Ozone Layer, United Nations system agency funding, etc.); and activities have for the most part promoted multidisciplinary approaches to environmental problems.

## Objectives and strategies

21. The most important goal of UNDP in the field of environment is to help developing countries integrate environmental considerations into their development plans and programmes. The SPR resources will be used to support UNDP's objectives for sustainable development, which are summarized below. They will also be used to address new and emerging problems and to introduce new concepts and new methods of analysis.

(a) To strengthen the capacity of national Governments and populations in national and local environmental efforts:

(i) By supporting the formulation of environmental plans and policies in countries which request such assistance, or, in a regional context, for countries considered environmentally vulnerable;

(ii) By strengthening the institutional and technological capacities of Governments, NGOs and the independent sector in developing countries in order to enhance environmentally sound and sustainable development, particularly in follow-up to UNCED;

(iii) By enhancing human resource capacities, particularly in areas relating to technology and technology development;

(b) To support global, regional and special environmental initiatives:

(i) By facilitating broad participation in special global and regional environmental initiatives;

(ii) By increasing the effectiveness of such initiatives.

22. In order to achieve these objectives, UNDP follows an overall strategy based on four major thrusts. UNDP activities in support of this strategy include not only those funded by SPR but also activities financed by other UNDP funds and programmatic efforts at headquarters as well as in the field:

(a) Improved coordination and integration of programmes to ensure that the environment is taken into consideration at all stages of programme and project formulation, and that the environment theme is well coordinated with such important themes as gender, human development and participatory development;

(b) Initiatives such as the SDN, which strengthen the capacity of developing countries in general and help them to establish mechanisms which facilitate the involvement of the population at large in sustainable development initiatives;

(c) The issuance of the Environmental Management Guidelines, introducing new programming guidelines to incorporate environmental considerations into UNDP programming activities;

(d) Building up the capacity of developing countries to apply new programming concepts and planning models for sustainable development.

## General guidelines

23. To ensure project quality, UNDP will avail itself of a wide network of the best expertise available for the purposes of project design and technical backstopping. To ensure impact, priority will be given to initiatives designed to build national capacities in developing countries: technology transfer, human and resource development, institutional strengthening and policy reform to facilitate sustainable development.

24. SPR funding will be used to support activities in the following categories:

(a) Country planning and policy support. These activities will be directed towards supporting Governments in formulating policy and legislation as well as integrated environmental action plans and strategies in such key areas as sustainable agriculture, energy efficiency and alternative sources of energy, water resource management, urban environment, the control of industrial pollution and environmentally sound technologies;

(b) Training in environment and development. The main components of this activity will be: the extensive application of the Environmental Management Guidelines for training at the country level; the development of specific programming and training tools on important themes related to the environment; the launching of the SDN; the design of an environmental education programme in collaboration with UNESCO, UNEP and other agencies of the United Nations system as required;

(c) Support to global, regional and special environmental activities. This category will include support to developmental activities which contribute to key global, regional and special initiatives that receive funding from a variety of sources. The role of SPR in these activities will be either to act as a catalyst or as seed money to leverage other available resources such as the Global Environment Facility, the Interim Fund for the Ozone Layer, the Tropical Forestry Action Plan, global and regional activities of the United Nations system agencies, and any other initiatives which may result from UNCED. Activities to be funded under this category will be those which demonstrate that SPR funding will have a catalytic effect;

(d) Improving the quality and effectiveness of UNDP technical cooperation in environment and development. This activity will be focused mainly on funding initiatives which strengthen the environmental dimension of ongoing UNDP programmes and projects assisted by UNDP.

## Specific criteria for approving the use of SPR funds

25. The criteria for selecting activities will be designed to reflect the priorities of developing countries at the national, regional and global levels. The most important frameworks for these priorities will be UNCED and the UNDP country programme. The assistance to developing countries in environmental plans and actions and the application of the Environmental Management Guidelines will also provide important instruments for establishing selection criteria. In the selection of activities for SPR funding, preference will be given to projects that contain the features mentioned in paragraph 4 above.

26. One of the main limitations in the programming of SPR funding is the lack of concrete environmental plans and strategies in many developing countries. UNDP will make a major effort to assist countries to formulate plans and strategies in order that they may programme their own national as well as external resources and avoid duplication.

27. Another limitation is the lack of data in many countries. Because of lack of data, Governments are unable to identify the major environmental problems, and it is difficult for the population to be involved in the decision-making process. Again, UNDP will make a major effort to assist developing countries to overcome this difficulty.

28. In implementing its SPR-funded activities, UNDP, through its resident representatives, will act in close consultation with United Nations specialized agencies, UNIFEM and the various operational funds administered by UNDP such as UNSO, UNCDF and UNV. UNDP has begun a series of consultations with a number of United Nations specialized agencies in order to identify specific areas of collaboration in environmental and natural resource management. In addition, UNDP holds intensive consultations with relevant agencies in the process of programming activities under the Global Environment Facility and the Interim Fund for the Protection of the Ozone Layer. The same applies to the Tropical Forestry Action Plan and other global initiatives.

29. Country planning and policy support activities will be carried out in collaboration with the relevant United Nations agencies. An effort will be

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made to link environmental action plans to United Nations system sectoral plans and programmes in order to avoid duplication and improve inter-agency coordination in the area of the environment. UNDP will also ensure that environmental action plans and policy support initiatives are closely linked to UNDP country programmes, national funding and investment plans, round-table conferences (RTs) and consultative group meetings (CGs), all of which reinforce inter-agency collaboration.

30. As was the case in the successful pilot phase of the Environmental Management Guidelines, UNDP intends to involve United Nations system agencies fully in the application of the guidelines. United Nations agency participation will also be crucial in the establishment of the SDNs. Most if not all SDNs will be established with the assistance of United Nations specialized agency personnel in the field. The same applies to the environmental education programmes, in which UNESCO, UNEP and other relevant agencies have been asked to collaborate.

31. Regarding UNCED follow-up, UNDP is already in consultation with United Nations agencies. UNDP is proposing a meeting soon after UNCED to discuss strategies for the response of the United Nations development system to UNCED and collaboration in the implementation of Agenda 21.

32. UNDP will continue to expand its environment and natural resource management activities. The demand for such activities is expected to grow, perhaps considerably, as a result of the UNCED process. In responding to this demand, UNDP will tap several funding sources, including SPR, IPF and cost-sharing. The role of SPR will be to act as a catalyst and initiator of activities which will in many cases require additional follow-up funding, often from IPF. SPR will also be used to incorporate environmental considerations into UNDP-funded programmes and projects.

### Individual activities: design, approval and implementation

33. The UNDP environment and natural resources programme will be implemented at the national level under the supervision of the regional bureaux and other operational units and will be coordinated by the Environment and Natural Resources Group (ENR) of BPPE. Governments, NGOs and executing agencies will participate in the execution of this programme. All projects will be subject to the normal appraisal and approval procedure established for UNDP projects, including review by the Action Committee as appropriate. Each activity will also be subject to a progress review every six months, involving ENR and regional bureaux as well as operational units and United Nations specialized agencies when applicable. An evaluation will be undertaken within the first three years of the cycle in accordance with paragraph 12 of document DP/1991/64.

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## Funding requirements

34. Considering the momentum already generated by the UNCED process and expected to increase after the conference, a large number of demands for assistance is likely. Programme expenditure is therefore expected to reach approximately $14 million in the first two years.

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| Subcategory B3: | Management Development |
| Earmarking: | $40 million |

## General description and purpose

35. The Management Development Programme (MDP) has operated since 1988. The purpose is to help Governments design and carry out long-term, strategic programmes to improve management. These programmes combine civil service reform, public enterprise reform, privatization, promotion of the private sector, decentralization, improved local service delivery and better management of public expenditure.

36. The Governing Council provided MDP with $60 million from SPR for the fourth programming cycle. By 1 October 1991, more than 90 Governments had requested MDP support. Programming has begun in 85 countries; 45 countries have approved project activities, fully or partially financed from MDP funds; and an estimated 55 countries will have approved projects by the end of 1991. At that time, the total commitment of MDP funds will be in the range of $50 million.

37. MDP programming has also encouraged complementary use of country IPFs and has helped attract resources from other donors for public sector management improvement programmes. By 1 October 1991, the IPF contribution to MDP projects amounted to $28 million, while cost-sharing and parallel financing had provided around $15 million.

38. MDP was established in response to strong demand by many countries for improved management of human and financial resources. Developments that occurred during the late 1980s set the stage for MDP. It was a period when many countries, in different political circumstances, undertook structural adjustment programmes that called for reduced public spending, greater efficiency in economic management, reduced reliance on central planning, increased decentralization of development and greater reliance on market forces and the productive capacity of the private sector. The role of MDP in this context was to help Governments develop the capacity to carry out the required reforms.

39. While MDP has focused primarily on management improvement programmes, it can also be used for limited projects with particular potential for promoting change in areas of strategic significance. The programme further provides the funds necessary for immediate response to new political situations, giving

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UNDP time to raise funds for long-term needs. This applies particularly to Eastern Europe. In Poland, for example, MDP has not only sponsored needs assessments and the planning of long-term management improvement, but has also contributed limited funds for high-level advisory services, seminars and project activities.

40. Achievements to date include: (a) in Guyana: comprehensive support to the country's Economic Recovery Programme, including 31 interrelated, management strengthening projects supported by 4 different donors; (b) in Mongolia: support towards a more open, market-oriented economy through human resource development for trade and investment promotion, State-owned enterprise restructuring, administrative reform, and strengthening of national policy formulation; (c) in Tunisia: help in eliminating institutional constraints to a comprehensive package of policy reforms designed to address economic imbalances; and (d) in Uganda: a strategy for dealing with civil service size, organizational structure, working methods and procedures, management, decentralization, accountability, morale and performance.

41. A recent evaluation of MDP broadly endorsed the approach taken during the fourth cycle and concluded that the MDP approach and its focus on building national management capacity should, over time, become central to the work of UNDP.

## Objectives and strategies

42. SPR will fund programmes in new countries and support follow-up of innovative and particularly promising programmes in countries where activities have begun during the fourth cycle.

43. MDP is helping Governments to improve their public sector management capacity in the context of the changing relations between the public and private sectors. By the end of the fifth cycle, the following objectives will be met:

(a) Governments will have refined modalities for improvement of management approaches;

(b) Many more countries will have initiated substantial public sector management improvement programmes with the support of UNDP. Many will have domestic capacity for designing and executing institution-building initiatives;

(c) Governments will have gained greater experience and refined methodologies for administrative reform, productivity and efficiency, women in management, decentralization, service delivery, economic liberalization and transition to a market economy, government interface with the private sector, aid and debt management and personnel management systems for the public sector;

(d) Executing agencies will have streamlined procedures to ensure efficient execution of MDPs;

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(e) Governments will have better training materials, a more effective process approach and staff trained in using it;

(f) Empirical lessons on management development and organizational change will have been analysed and distributed. Institutional twinning arrangements will be in place, coupling organizations at differing stages of development. MDP experience will be distributed through written materials, international computer networks and other links between MDP-supported programmes;

(g) Improved consultant rosters, records management systems and communications systems will be in place. Existing monitoring systems will be modified to track progress on all UNDP projects falling under the management development theme, as outlined in Governing Council resolution 90/34 of 23 June 1990.

## General guidelines

44. The MDP guidelines offer a wide choice of methods to strengthen management capabilities. The actual focus of each programme depends on government priorities and needs assessments.

45. In implementing MDPs, UNDP has applied a programme approach as recommended by General Assembly resolution 44/211 of 22 December 1989. The reforms under way or contemplated in many countries imply systemic public sector changes. UNDP has also stressed the need for a long-term perspective and for activities that are sustainable and well internalized in the host country's administration. MDP is increasingly using approaches that help those responsible for systemic changes to manage the process. This approach involves working with key government officials in developing a shared understanding of issues and needs in an action plan outlining technical assistance. It requires forms of cooperation that offer more than prescriptive advice and individual skills training. Maximum use is made of local expertise, including women, and national management institutions in the design and implementation of projects.

46. As decided by the Governing Council, MDP is available to all countries wishing to participate. To reconcile this principle with UNDP's priority concern for low-income countries, particularly LDCs, MDP uses the following approach: all countries requesting support receive help with needs assessments and the preparation of programmes, while low-income countries receive preference for project funds. No more than 50 per cent of the resources will be allocated to programmes in any one region.

47. During the initial phase of MDP, as UNDP gains experience with the new programme, many activities are executed by OPS, drawing on consultants outside the United Nations system. From the beginning UNDP also works closely with the World Bank in carrying out the programme, and over time, cooperation with other agencies within the United Nations system, such as UNDTCD, has

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increased. Based on the experience that UNDP now has, the organization will seek active cooperation with other organizations in the United Nations system, both for methodological development and during the programming and implementation stages of individual MDPs. National execution is preferred for all MDPs.

48. An important role for MDP during the fifth programming cycle will be to learn from activities initiated since 1988, to apply and disseminate experiences gained and to promote methodological development in areas of particular importance. Countries participating in MDP activities and experts supporting them need to build networks for sharing experiences and for programme development. This work should be undertaken in close cooperation with other United Nations agencies and the World Bank, involving also regional institutions dealing with public sector management improvement. One forum for this will be workshops organized on regional and thematic principles, which will begin in 1992. The responsibility and the cost for these workshops will be shared with TCDC and regional and interregional programmes, thus encouraging other parts of UNDP to participate.

### Specific criteria for approving use of SPR funds

49. The following criteria will be applied:

(a) The availability of a broad needs assessment and the systematic scope of the proposed programme;

(b) Strong political commitment to major reforms calling for substantial institutional capacity-building and/or elimination or privatization of institutions no longer needed within the public sector;

(c) The existence of a policy framework for management improvement and high-level political commitment to it;

(d) The effective assignment of responsibility for the management of change and close links between political and administrative organs with commitment to change; the involvement of the country's own institutions in capacity-building;

(e) Innovative design of assistance and the extent to which it increases the prospects for sustainability of efforts, including twinning arrangements with appropriate institutions;

(f) A project's linkages to other externally supported activities and its role in strengthening coordination of assistance;

(g) The extent to which the MDP resources can be used as seed money;

(h) As the fifth programming cycle approaches, the willingness of countries to commit IPF funds;

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(i) Support of innovative projects with particular potential for promotion of change in strategic areas.

## Individual activities: approval and implementation

50. Project documents need to meet the above criteria, in addition to all other UNDP requirements. Typically, missions are designed and experts recruited by the MDP Support Unit in BPPE, in response to government requests. All missions are proposed to Governments by the relevant field office on the recommendation of the responsible regional bureau. The development of the programme and the drafting of the project document are cooperative efforts by the Government and the field office and, when needed, headquarters and local or international expertise. Projects are approved first by the field office PAC, then by the bureau PAC and finally by the Action Committee (except for projects under $100,000 that can be approved by the regional director on the recommendation of the MDP coordinator).

51. MDP experts who work on needs assessments and programme design will often participate in approved programmes, and the MDP Support Unit will help to recruit key experts. Monitoring and evaluation are built into the design of each project and may be the responsibility of the Government, executing agency or field office, with the help of the MDP Support Unit as required.

52. All MDP initiatives are carried out after consultation with the MDP Reference Group, representing all the regional bureaux, BPPE and OPS.

## Funding requirements

53. The $40 million in SPR funds earmarked for the fifth cycle will be used for programme formulation and financing. Considering the principal mandate of MDPs - to help Governments develop strategic programmes for management improvement - priority will be given to support programme formulation. Fifteen million dollars (around $3 million per year) will be required for that purpose. The remaining SPR funds (around $25 million, plus $8 to $10 million not committed during the fourth cycle) will be used as contributions to programmes that rely heavily on financing from other sources. In order to have some seed money available during the entire programming cycle, no more than $15 million should be committed before 1994.

54. It is impossible to say how much funding from other sources MDP activities will attract. Considering the importance many Governments attach to public sector management improvement and the needs for follow-up of programmes initiated during the fourth cycle, it is reasonable to assume that $100 to $120 million will come from IPF funding during the fifth cycle. Joint financing and parallel financing from other sources should be at least of the same magnitude.

Subcategory B4: Technical cooperation among developing countries

Earmarking: $15 million

### General description and purpose

55. The importance of TCDC for national and collective self-reliance has long been recognized and was given impetus by the adoption in 1978 of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries. The continued validity of the Plan of Action has been reaffirmed in various forums, most prominently in 1989 by the General Assembly. The 1990 South Commission Report entitled "The Challenge to the South" and Governing Council decision 90/34 of 23 June 1990 which designates TCDC a priority area for capacity-building have further reinforced the need for accelerated use of the TCDC modality. Many developing countries are allocating considerable amounts of their national resources to enhance TCDC and are carrying out, through bilateral arrangements, many projects utilizing TCDC.

56. UNDP has been entrusted with the lead role, a role repeatedly reaffirmed, to promote TCDC in developing countries and support efforts to promote the use of the TCDC modality in technical cooperation activities financed by the United Nations development system.

57. During the fourth programming cycle, UNDP responded by providing resources for the promotion and use of the TCDC modality in the programmes and projects it supported. UNDP also provided for flexibility in the use of IPF resources to encourage the application of TCDC. Further, it financed and continues to finance the Special Unit for TCDC. In the fourth cycle, four major types of activities were implemented: programming exercises (or the matching of needs and capacities); training and workshops; support to ad hoc activities; and provision of data and information through the TCDC Information Referral System (INRES). The major categories of activities and mechanisms supported by the Special Unit for TCDC during the fourth cycle were evaluated in 1991, with a view to developing a strategy for the 1990s. The findings and recommendations of these evaluations and the consultations held with selected Governments of developing countries, within UNDP and with United Nations organizations and IGOs have highlighted the following:

(a) TCDC as a priority. TCDC as a modality of project implementation has not received adequate attention;

(b) Strategy. There is a need for a coherent strategy for the promotion of TCDC based on a common and unambiguous understanding of what constitutes TCDC;

(c) Integration. The TCDC modality must be integrated into national development activities and in the programmes and activities supported by the United Nations development system;

(d) TCDC programming. TCDC programming exercises that match needs and capacities should be continued. To achieve greater impact, TCDC should concentrate on fewer sectors for the exchange of experiences and expertise;

(e) Capacity-building. In conjunction with IPF resources, efforts should be made to focus SPR on strengthening the capacity of developing country institutions to apply the TCDC modality;

(f) Monitoring and reporting. In order to enhance the TCDC modality in project/programme implementation, more rigorous and continuous monitoring, evaluation and reporting is needed;

(g) Expanded database. To ensure the ready availability and currency of information on the capacities of developing country institutions, the quality and volume of information in the TCDC-INRES database should be improved.

58. TCDC is characterized by four main features:

(a) It constitutes technical cooperation between two or more developing countries on an institution-to-institution basis in the public or private sectors;

(b) It involves the sharing of expertise, experience, know-how and facilities;

(c) Activities are managed and implemented by Governments and/or institutions of developing countries;

(d) The responsibility for arranging the finance of cooperation is primarily assumed by the participating developing countries.

59. The tasks undertaken by UNDP and other organizations of the United Nations system in support of TCDC are of two types: promotional and operational. Promotional activities are intended to strengthen the capacity of developing country institutions to engage in TCDC or to prepare the groundwork for launching TCDC activities of an operational nature. Operational activities are those which involve application of TCDC by actual sharing and exchange of technical resources, skills and capabilities between two or more developing countries.

## Objectives and strategies

60. The ultimate goals of TCDC are national and collective self-reliance by developing countries and the broadening of the base for international technical cooperation. Within these broad goals, the specific objectives of UNDP support through SPR in the fifth programming cycle are:

(a) Achievement of common understanding of TCDC as a modality of implementing technical cooperation activities and of its comparative advantage;

(b) Enhanced application of the TCDC modality by institutions of developing countries and integration of the TCDC modality in national planning and in development projects.

61. The findings and recommendations of the evaluations carried out in 1991, of earlier studies and decisions of the various legislative bodies and of consultations with selected Governments of developing countries, within UNDP and with United Nations organizations and IGOs have provided valuable inputs towards the development of a strategy. Among its major elements are:

(a) Encouragement and facilitation of the adoption of explicitly stated national policies on TCDC;

(b) Establishment of national focal points for the promotion of TCDC;

(c) Integration of the TCDC modality in IPF-supported programmes and projects by ensuring that this modality is given attention during the project formulation process, preparation of UNDP Advisory Notes and country programmes. Such integration will further be accomplished through the systematic involvement of field offices during project identification and through the active participation by the Special Unit for TCDC in bureau PAC, Action Committee and programme review meetings;

(d) Strengthening and streamlining the process of matching technical cooperation needs and capacities with a view to ensuring that:

(i) the projects or activities so identified address needs in priority sectors or themes of developing countries;

(ii) that funds are identified for implementation as early as possible;

(e) An increased role for the UNDP field offices in assisting Governments identity projects for implementation using the TCDC modality in monitoring, evaluation and reporting;

(f) A greater role for the specialized agencies in assisting Governments in the identification of needs and capacities in their areas of specialization;

(g) Increased participation of the private sector in the exchange of technology, expertise and experiences;

(h) A more active role than in the past for the Special Unit for TCDC in the identification, development and dissemination of innovative approaches to TCDC;

(i) Improved and expanded information services provided by TCDC-INRES, the computerized information referral system, so that up-to-date information will be readily available on the capacities of institutions of developing countries.

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## General guidelines

62. Types of activities to be financed. It is widely recognized that progress in the application of the TCDC modality has been slow for a variety of reasons. In the fourth cycle UNDP provided support to workshops, study tours and opportunities for the matching of needs and capacities, and financed foreign exchange components of the cost of participation in meetings and conferences. Support to these types of activities will continue. However, more attention will be given to activities and projects that promote networking and twinning arrangements; and joint efforts that address common problems; directly focus on the transfer of specific skills; provide opportunities for launching projects through the matching of needs and capacities; and build and improve data and information on capacities in developing countries. Demonstration and pilot projects will be undertaken to test new approaches and refine novel initiatives.

63. A more effective role for the national TCDC focal point mechanism than in the past is envisaged for the promotion of TCDC at the national level. The effectiveness of national focal points has been limited partly because of the vagueness of their functions and the scatter of their locations, which have not always been such as to enable them to be active and effective. Their role will be strengthened through better information support, periodic seminars to share experiences, and encouraging Governments to provide them with the means to play a useful role.

64. Sensitization on what TCDC offers will be intensified. Further, sensitization and orientation activities will be increasingly left to Governments and the UNDP field offices with Special Unit support for training trainers and providing orientation material. A trainer's guide, currently under preparation, will shortly be made available to Governments and field offices.

65. To accelerate integration and facilitate the application of TCDC in project implementation, the consideration of the TCDC modality as a desirable option will be encouraged during the project formulation process and the preparation of advisory notes and of country and inter-country programmes. Opportunities for integration will be optimized by using SPR resources to facilitate the launching of projects and support to components of projects that utilize this modality irrespective of the source of project financing. Complementarity and linkage with regional and interregional IPFs will be pursued, with SPR resources providing catalytic inputs.

66. The consultation mechanisms for matching needs and capacities will be continued with improvements suggested by the external evaluation team, especially in simplifying the procedures, in instituting follow-up measures, and feedback. This mechanism will be a major instrument for sharing expertise, facilities, and know-how by applying TCDC through concrete cooperation activities.

67. Measures will be taken to keep the currency of the TCDC-INRES database and to improve the quality of information in line with the findings and

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recommendations on the evaluation of the system carried out in 1991. A compendium of successful and exemplary projects utilizing the TCDC modality and information support material will be made available to enhance replication and sharing of concrete experiences and lessons learnt.

68. In the past, resources were generally not provided for activities in the private sector, with the exception of support to chambers of commerce. In the future, however, the inclusion and participation of the private sector will be actively promoted to tap the rich expertise in this sector and the potential for augmenting resources for follow-up operational activities.

69. Priority sectors and areas. SPR resources will be used primarily for TCDC promotional and catalytic purposes and in response to specific requests from the participating countries. Priority attention will be given to requests in the following concentration areas: human resources development with focus on management and training; sharing and adaptation of technology; South-South trade, e.g., development of a trade information network; policy formulation, on topics of common interest, e.g., structural adjustment, debt management, poverty alleviation, urbanization; agriculture and food security, e.g., food technology, training. Special attention will be given to problems of environment and to the participation of women in development in all the activities to be supported.

Eligibility. All developing countries willing and able to share their technical know-how, expertise and facilities with others are eligible.

70. Complementarity and use of United Nations system expertise. SPR funds for the promotion of TCDC will be utilized in such a way as to ensure complementarity with IPF-supported activities and with activities supported by other United Nations organizations. A start in this direction was already made in 1991 where SPR and agency technical and financial resources were mobilized to support workshops and sectoral exercises, e.g., with DTCD, FAO, UNESCO, WHO. The participation of the agencies will further be pursued in the identification of needs and capacities of institutions of developing countries, especially for the needs and capacities matching exercises, and in updating the TCDC-INRES database. Complementarity will further be advanced through the participation of field offices and the regional bureaux in all stages of the project cycle and, at headquarters, through the participation of Special Unit for TCDC in PAC and action committee meetings.

## Specific criteria for approving the use of special programme resources funds

71. Project proposals or activities for funding from the SPR allocation for TCDC should satisfy the following conditions:

(a) They should emanate from or through Governments or institutions (public or private) of developing countries and be channelled through the field offices;

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(b) They should facilitate, for the purpose of building capacity, the exchange of experiences, expertise, technology and the sharing of facilities among two or more developing countries;

(c) The participating Governments or institutions are responsible for implementation;

(d) The cost of cooperation is primarily borne by the participating developing countries;

(e) The projects should be promotional or catalytic in nature in the sense that they should have linkages with larger development activities.

72. There will be no advance allocation by sector or by region. An appropriate mix of demand-based and supply-driven technical cooperation activities will be ensured.

## Individual activities: design, approval and implementation

73. Projects or activities for funding from the SPR allocation for TCDC must emanate from developing countries and be channelled through the field offices, which will screen requests and ensure that project or activity proposals meet the criteria for TCDC described above. All project proposals or components of projects for funding from the SPR will continue to be reviewed by the Special Unit for TCDC internal PAC. Project proposals requiring an SPR input of $100,000 and above will be reviewed by the same body, enlarged by the addition of participants from the regional bureaux, BPPE and other relevant units, before submission to the Action Committee.

74. All projects or activities will be monitored by the Governments concerned, the UNDP field offices and the Special Unit for TCDC. Field offices will provide feedback and assist Governments in follow-up to SPR-supported activities. The following are some of the performance indicators that will be used: capacity-building, extent of contribution to the use of TCDC, comparative cost, impact and specific skills transfer, etc.

75. A mid-term evaluation will be made of the activities undertaken up to 1994. The evaluation will focus on the impact of the projects and activities and on any changes in the type and mix of activities that may be warranted.

## Funding requirements

76. The Governing Council has allocated $15 million from the SPR for the fifth programming cycle. It is expected that, on the average, $3 million will be required per year, with build-up of activities gaining momentum from 1993 onwards.

## Subcategory B5: Transfer and adaptation of technology for development

**Earmarking:** $7 million

### General description and purpose

77. The transfer and adaptation of technology for development is one of the six themes which will form the focus of UNDP's capacity-building activities in the future. The purpose of SPR-funded activities in this subcategory is to support the development of national capacity for the attainment of self-reliance, so that developing countries would be able to interact fully in the rapidly changing international scientific and technological arena. They would have the capability to take account of the relationship between technological change and broader human development concerns, assess their respective needs, make optimal "buy or make" decisions, locate and choose technology, and diffuse it into production and service activities. The SPR will enable UNDP to develop new approaches, to move away from traditional institution building towards support for policy capacity, capacity for the management of technological change, and an increased emphasis on commercial viability in technological transfer, adaptation and development.

78. The subject of the transfer and adaptation of technology for development is extremely broad, and the issues which arise vary among countries according to their existing technological capacity. All countries need to develop the capacity to relate decisions in the sphere of technology to their factor endowments, and the capacity to sustain technology acquired or developed. This involves maintenance of capital equipment in which technology is embodied, and maintenance in terms of the human resources needed to continue to operate the technology effectively. Thus the choice of technology has major implications for human resource development.

79. Although such issues are commonly found in most countries, it may be useful to divide the countries into three broad categories according to their existing capacity for technological development. For some of the least developed countries, support is needed to develop the capacity to make rational choices among existing technologies, many of which will have to be imported. For a further category of countries, support might be focused on the processes of adaptation and diffusion of chosen technologies. Finally, for countries with established research and development systems, support may more appropriately be channelled to the increased effectiveness and relevance of existing national research and development capacity. It is anticipated that the country strategies developed for the transfer and adaptation of technology will vary according to these broad categories, and thus the nature of SPR-funded activities will vary correspondingly.

80. Although no SPR funds were devoted to this theme during the fourth cycle, UNDP has in the past financed many activities in the area of the transfer and adaptation of technology from country and regional IPFs. During the fourth cycle, 32 evaluations of science promotion and technology transfer projects were undertaken, plus a thematic review of high technology projects in India

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and China. Much of UNDP's effort in the past has been directed towards institution building, and the process of evaluation has led to a re-examination of this approach. The major lessons to be derived from the evaluations and reviews are as follows:

(a) The use of research. More attention needs to be paid in the future to the linkages between education, research and production, and to the demand side of technological transfer, i.e. the process of diffusion and the spread of information beyond the institutions being supported, to users of technology, particularly private enterprises;

(b) Sustainability. Sustainability involves the maintenance of technological currency, since institutions need to keep up with rapid technological changes in the world. Thus some means must be found for institutions to have continuing access to knowledge, new approaches and the international scientific community;

(c) Technology and human development. Relationships need to be established among sources, parties and functions. Networks need to be established, involving the public and private sectors, and involving enterprises of small and medium scale as well as large scale. The aim should be to ensure the linking of technology suppliers not just with technology users, but also with institutions in broader fields of policy making, involving concerns such as environmental sustainability, social costs and benefits, the impact on and involvement of women, etc. Thus it is important to support the creation of a policy framework within which decisions are informed by broad human development concerns, and the development of a culture conducive to technological change;

(d) Increased capacity for choice. It is important in many circumstances to enhance the capacity to choose, transmit and evaluate technologies, to increase awareness of the range of alternatives, and to negotiate more favourable terms of technology transfer, with the aim of increasing local cost-effectiveness. Regional institutions may be an appropriate vehicle for sharing knowledge about technological possibilities.

Arising from these lessons, the focus of SPR-funded activities will be as follows: the building of linkages among institutions, more emphasis on the process of commercialization, and the strengthening of policy capacity, including the capacity to manage the process of technological change, and the more effective incorporation of the demand side in technology policy.

## Objectives and strategies

81. The specific objectives of SPR-funded activities in this area are as follows:

(a) Enhanced economic and social usefulness of technological transfer and adaptation, resulting in sustainable adoption by users in both the public and the private sectors;

(b) Support for the development of policy capacity, so that decisions concerning technology transfer and adaptation take account of social, environmental, gender and human development concerns, as well as economic concerns.

82. The strategies for achieving these objectives are exploratory. The intention is to develop new approaches to technical cooperation in this area, in cooperation with other agencies active in the field. The strategy will involve continuous monitoring, feedback and improvement. The two major elements of the strategy, corresponding to the two specific objectives, are as follows:

(a) To shift the emphasis of UNDP-funded activities in the area of technology transfer towards the building of linkages, by supporting the development of networks among institutions engaged in different aspects of technology transfer, innovation, adaptation, diffusion and use;

(b) To promote dialogue and cooperation at regional and national levels among policy makers, policy analysts and researchers, in order to develop more systematic connections between technology transfer and adaptation, on the one hand, and the wider social and economic policy framework on the other.

### General guidelines

83. The general guidelines for this subcategory are given below.

#### Project quality and project impact

84. This will be guided by the overall commitment of UNDP to strengthening national capacity, and by the requirement to use SPR funding as a catalyst in ensuring that other resources of UNDP achieve this overall objective.

#### Type of activities to be financed

85. An initial activity will be the preparation of a strategy paper indicating the elements required to achieve the objectives outlined above. Within the context of the distinctions developed in paragraph 79 above, the paper will involve a discussion of issues such as the following:

(a) The demand side of technology diffusion, including the need to take account of market behaviour as well as the need for a critical appraisal of the structure of demand for technology, particularly in view of the widespread use of the most modern of technologies in the service of mass destruction, or for preserving the lives of specific groups in the population (e.g. the major technological developments surrounding heart disease);

(b) The needs of small- and medium-scale enterprise and how these needs can be transformed into effective demand, involving links between the private sector and research institutions, and issues such as the availability of credit facilities for innovation;

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(c) The importance of a gender analysis of the effects of technological change, the beneficiaries and the participants in the process.

86. The strategy paper will be shared with Governments, who will be invited to present specific proposals to be financed by SPR. Examples of such initiatives are national and regional meetings and forums and the preparation of country strategies for enhanced management of technological change.

87. A further major area of activity will be UNDP participation in ongoing research and policy analysis in this area by agencies of the United Nations system and by bilateral donors of the DAC. UNDP's participation would be as an active partner, and would be linked to the issues of concern raised in this document, such as the necessity to focus research on operational issues, the importance of commercialization and the demand for technology.

## Eligibility

88. All countries would be eligible for initiatives to be funded under the SPR, with the proviso that no more than 50 per cent of funds would be allocated to any one region.

## Limitations

89. Although recipient Governments' requests for a review of criteria for selecting institution-building projects might be funded as part of the development of a country strategy, it would not be intended to use SPR funds to support specific institutions in isolation.

## Use of United Nations system expertise

90. UNDP has set up a working group involving FAO, ILO, UNCTAD, UNCTC, UNFSTD, UNIDO and UNESCO. The working group will further focus the programme on topics for which the United Nations system has a comparative advantage. Close coordination will also be sought with the work of the ACC Task Force on Science and Technology.

## Complementary use of country, interregional and global IPFs

91. SPR funds are intended to be catalytic, and hence it is envisaged that activities funded under the SPR, in particular regional and national forums, will be financed in part by regional or national IPFs. Furthermore, in financing the development of national strategies for developing linkages and policy capacity, it is intended that the strategies themselves would be suitable activities for eventual IPF funding.

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## Specific criteria for approving the use of SPR funds

92. The specific criteria for approving the use of SPR funds are as follows:

(a) Clear commitment by national Governments to the development and implementation of a strategy for the building, review or reform of policy capacity in the area of technology transfer and adaptation, which will include the incorporation of broader social and environmental concerns;

(b) The extent to which Governments are prepared to commit IPF resources for implementing strategies, for parallel funding or for complementary activities;

(c) Promotion of networking at country, regional or global level among institutions, and the development of linkages between developers and users of technology;

(d) Complementarity between activities in this area and activities supporting the broader policy dialogue, for example planning exercises, round tables, NaTCAPs, etc.;

(e) In the case of analytical work undertaken in cooperation with the United Nations system or bilateral agencies, clear connections need to be demonstrated with operational issues.

## Individual activities: design, approval and implementation

93. A project document will be developed as an umbrella for the activities. The project document will reflect the discussions with the working group of United Nations agencies and with other units, in particular the Division for the Private Sector, all of which will result in a more focused approach. The project document will be submitted to the BPPE Project Appraisal Committee for review, and then to the Action Committee for approval. The document will specify the types of activities to be considered for funding, in accordance with the guidelines established in this paper. Proposals may be submitted by Governments via UNDP field offices, regional, interregional and global programmes, or by specialized agencies of the United Nations system. A format for proposal preparation will be made available to field offices, other relevant units of UNDP and other agencies. The project will be executed by OPS, with provision for subcontracting and inter-agency collaboration.

94. A steering committee, consisting of the Technology Transfer Programme Manager in BPPE, focal points from regional bureaux and other relevant units and divisions, will review requests for the use of SPR funds, and will monitor the programme. An evaluation will be undertaken within the first three years of the cycle, in accordance with procedures set out in the SPR overview document DP/1991/64.

## Funding requirements

95. The proposals set out in the present document involve the preparation of a project document for appraisal and approval, and the elaboration of a precise work programme for the whole cycle during 1992. Funding requirements for 1992-1993 will be $3 million and those for 1992-1996 will be $7 million.

## Subcategory B6: Women in development

Earmarking: $8 million

## General description and purpose

96. The main objectives of the programme are twofold - to contribute to the building and strengthening of national capacities in women in development and to enable field offices to draw on these capacities for the mainstreaming of WID in UNDP-funded technical cooperation. The programme responds to the criteria established for utilization of SPR resources in Governing Council decision 91/3 of 22 February 1991.

97. The Division for Women in Development was created in 1987 to assist in ensuring and monitoring throughout UNDP programmes and projects a substantially larger role for women, both as active participants at all levels and as beneficiaries of such projects. The Division was also to be responsible for ensuring a larger role for women in UNDP.

98. In implementing its mandate, the Division has focused on the articulation of policy and the preparation of operational guidelines to promote consciousness-raising and to integrate WID concerns into country programming and project preparation. In response to requests from field offices, the Division has designed, implemented and evaluated training in skills development and gender analysis for UNDP, the United Nations system and government personnel. A questionnaire submitted to all UNDP field offices and operational units at headquarters in late 1989 indicated more awareness of WID and greater interest in and desire for increased support in mainstreaming than had been evident before 1987. The Administrator, reporting to the Governing Council in 1990 on progress made, indicated that higher priority would be given to the mainstreaming of WID during the fifth programming cycle, and that the demand from field offices for WID training, advisory services, data collection/analysis, research, etc., was expected to increase substantially.

99. In its decision 90/19 of 22 June 1990, the Governing Council requested UNDP to continue to strengthen its capacity and that of recipient countries to ensure that their activities are gender-sensitive. Provision of training and other support at country level to field offices and Governments was stressed. Triennial reporting on mainstreaming WID and gender responsiveness in UNDP's programmes on emerging issues such as environment, poverty, HIV/AIDS, refugees and displaced persons were also called for in that decision.

100. At its thirty-sixth session, the Governing Council (decision 90/34) also requested that UNDP expand the Division's mandate to include emphasis on the building of national capacities in WID. This decision identified five other priority thematic areas for national capacity-building, through which WID concerns also permeate horizontally: poverty alleviation, environment, management development, transfer of technology, and TCDC.

101. As UNDP field offices prepare programmes for the fifth programming cycle, advisory notes and country programmes already submitted indicate a major increase in demand for a greater focus on the mainstreaming of WID with the transition from project to programme approach in programming, and much greater awareness of the critical need to integrate gender at all programming levels. Joint activities of the JCGP, such as the regional WID workshops and the study on structural adjustment, have shown increased desire to focus on gender in activities of United Nations agencies and national Governments.

102. By its decision 91/3, the Governing Council allocated $8 million from the SPR to improve the quality and effectiveness of UNDP's mainstreaming of WID, with a focus on building national capacity in this area.

103. Although no SPR funding was granted to UNDP to cover operational activities during the fourth cycle, there has been a total allocation of $40,000 from SPR since 1986 to meet UNDP's annual pledge to the JCGP WID sub-group. The funds have been used to finance joint expenses of the sub-group, in particular JCGP regional WID workshops and a study on structural adjustment. As a further step in mainstreaming WID, from October 1991, the WID Division has been incorporated in the Human Development Group of the Programme Development and Support Division, which is responsible for all advocacy themes and technical advisory services within BPPE. From here it will be responsible for ensuring that the WID concern is appropriately reflected in all the programme development and support work carried out by the staff of the Division, thereby strengthening the impact of mainstream operational activities of the organization.

## Objectives and strategies

104. From the experience gained so far in the mainstreaming of WID issues, it is clear that a new approach is necessary to meet the increased demand for assistance from field offices during the fifth cycle and to ensure that a more focused, issue-oriented and country/region-specific strategy is adopted as required by the Governing Council.

105. Key elements of UNDP's strategy include the development of approaches to mainstreaming WID issues in the thematic areas identified by the Governing Council and the preparation of operational guidelines to assist field offices in implementing the WID mandate; the provision of gender training for UNDP, United Nations agency and government personnel; and the encouragement and enabling of field offices to make increasing use of strengthened national and regional WID capacities for UNDP country programme and project preparation, implementation, monitoring and evaluation.

106. SPR funds will be used to build national capacity in WID to enable field offices, United Nations agencies and Governments and others to draw on these capacities for the mainstreaming of WID in their programmes. This capacity-building will include the development and/or improvement of skills and facilities in research, gender analysis, data collection and use, training, and networking of individual development workers, grass-roots women and men, non-governmental organizations, government agencies, extension workers and other officials, and institutions. SPR funds will also be used to develop linkages with other identified advocacy themes. Thirdly, SPR funds will be used for the catalytic purpose of demonstrating how WID and gender elements can be built into and/or strengthened in projects and programmes of the fifth programming cycle.

## General guidelines

107. Project quality and project impact will be guided by the global policy framework set for UNDP since 1975 by the Governing Council, which directs UNDP to integrate WID throughout its work and in the national policy framework set by recipient Governments.

108. The activities to be funded from SPR funds will be predominantly at the national level as the main purpose of the SPR programming will be to mainstream WID in country programmes. Regional and global activities will be very limited but will permit some exchange of experience for capacity-building. Because of the catalytic nature of the SPR programme, most activities will be linked to projects with other sources of funding. Free-standing projects will be funded only in special cases where they serve an experimental and innovative purpose. The activities of the programme will include:

(a) Documentation of existing WID capacities at national and regional levels in collaboration with UNIFEM and other United Nations agencies.

(b) In pursuance of the objective to link WID with the poverty theme, development of strategies that promote participation and gender sensitivity at all levels from the macro-planning of policy, and programme formulation, implementation and evaluation in such areas as income, credit, social services and basic needs.

(c) Development of strategies that ensure the integration of WID elements in all environmental approaches and environment and natural resources programming.

(d) Development of strategies for mainstreaming of WID issues in management development programming.

(e) Training at the following levels:

(i) Training of trainers at the regional level in mainstreaming of WID and in national programming for WID;

(ii) Training of national officials (both women and men) in gender analysis, the integration of WID issues in programming, and building up of databases in collaboration with United Nations agencies.

(f) Development of approaches to mainstreaming WID issues in the themes identified in Governing Council decisions 90/34 and 90/19 of 22 June 1990 and the development of relevant operational guidelines for application by field offices.

109. All countries will be eligible. Priority will initially be assigned to those countries where greatest potential is deemed to exist for building national and/or regional WID capacities.

110. It is expected that no more that 30 per cent of the funds earmarked for pilot experiences will be allocated to any one region so as to ensure regional balance in accessing available resources.

111. Close inter-agency consultation and coordination is envisaged, particularly with UNIFEM and other United Nations system WID units. As much as possible the programme will be carried out in collaboration with, and whenever appropriate in support of, other United Nations agencies' national capacity-building efforts.

112. Governing Council decision 91/3 stresses the importance of using special programme resources as a catalyst in ensuring that the other programme resources of UNDP achieve the objective of building national capacities in priority areas. It is expected that within interregional and global IPFs, provision will be made to ensure the mainstreaming of WID within individual projects as required and in the case of country IPFs, provision will be made to ensure WID mainstreaming in all country programmes and projects.

113. It is envisaged that most national activities will be supported by some IPF or cost-sharing, or at least attract such funding after a brief experimental phase.

## Specific criteria for approving the use of SPR funding

114. Criteria for allocation of resources to programme components will include:

(a) Possibilities of capacity-building;

(b) Demonstration effects and possibilities of mobilizing funding from other sources;

(c) Possibilities of mainstreaming WID aspects into programmes funded from other sources;

(d) Geographic distribution of projects.

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## Individual activities: design, approval and implementation

115. Under the overall supervision of the Director of PDSD, the WID Coordinator in the Human Development Group will oversee the programme. They will also periodically review any strategy, programme activities and policy issues which may arise. The Coordinator will be directly responsible for the overall management and monitoring of the various programme activities, as well as for the preparation of the periodic reports to the Governing Council. Clearly defined criteria and procedures for programme selection will be developed in consultation with a steering committee to be appointed with participation from the regional bureaux, other BPPE units and UNIFEM. Procedures will have built-in mechanisms for speedy approvals and consultation with relevant bureaux and units. Thematic evaluation will be undertaken after three years of operations.

## Funding requirements

116. The sum of $8 million has been allocated under the SPR for women in development over the fifth cycle. The budgetary requirement for the first two years of the cycle is $3 million. For the remainder of the cycle, the budgetary requirement is $5 million.

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## CATEGORY C: OTHER SPECIAL AND/OR NEW ACTIVITIES

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|---|---|
| Subcategory C1: | Human Development Report |
| Earmarking: | $5 million |

### General description and purpose

1. Human development is the process of enlarging the range of people's choices. The concern for translating economic growth into better lives for people is common to both industrial and developing countries and countries in all regions. International cooperation in support of human development as a complement to, or input into, the national policy formulation process may be seen as a continuing process and an interest that is shared by countries at all levels of development.

2. The purpose of the Human Development Report is to facilitate exchange of development lessons, innovative thinking and policy experience among Governments in the area of human development.

3. At the same time, the report and related research work and studies will provide an input into UNDP's strategic thinking on future development challenges and the identification of new and innovative technical cooperation modalities to respond to those challenges.

### Objectives and strategy

4. The Human Development Report is to be prepared annually. Each year, the report is to consist of four main parts: (a) an update of recent events of special importance to human development; (b) a special focus chapter (e.g., human development financing, the special focus of the 1991 report); (c) a continuation of the debate on the concept and measurement of human development; (d) updated human development indicator tables. Special efforts will of course be made to ensure that data are presented, wherever possible, in a disaggregated fashion, especially disaggregated according to gender.

5. Future special-focus topics as well as the future work on the Human Development Index (HDI) will be determined according to two criteria. One criterion will be to develop the debate on human development in a systematic fashion, for example, moving from concept and measurement issues (which figured prominently in the 1990 report) to the question of financing (1991 report), with special emphasis on domestic policy choices. The second criterion that will determine UNDP's future work on the Human Development Report will be the responses received to the report - from Governments, other development professionals and policy makers and people at large. These responses would, of course, reflect newly emerging concerns and thus also be a means of ensuring continuing relevance of the report to changing policy priorities and issues.

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## General guidelines

6. Since the Human Development Report can serve as a vehicle for exchange of information among countries, its availability on the broadest possible basis should be facilitated. It should be issued annually so as to constitute a regular input into the global development debate. The report should be based on the experiences of the different regions and language groups. The report will, furthermore, continue to draw on the relevant work of all concerned United Nations agencies. There should be sufficient publicity to promote awareness of the issues included. It should be available in various languages, at least in all working languages of the United Nations, and a wide circulation should be ensured.

7. The main success criteria will be the use of the report and its concepts at the level both of operational activities and of development research. The use being made of the report at the operational level will, among other things, be measured by the operational follow-up that the report will have. This could be the Government's own efforts, UNDP-supported efforts, or initiatives financed from other assistance sources. At the research level, use will be measured in a variety of ways. An effort will be made to measure citations of the report, including the utilization of the HDI.

8. An independent evaluation will be conducted during the third year of the fifth programming cycle.

## Funding requirements

9. Taking into account the costs of the 1990 and 1991 reports, it is estimated that the production of the report will cost $1 million per annum to cover the costs of outside expertise, translation, design, printing, and other costs related to the distribution and projection of the report.

10. The experience to date indicates that there is a strong demand for the report throughout the world, including from Governments, universities and other teaching, training and research institutions, and NGOs. The report has proven to be a successful publication and in 1990 was reprinted three times. Efforts will be made to raise extrabudgetary resources to distribute 40,000 copies free of charge.

11. During the period 1992-1993, the requirement for SPR funding would be $2 million, viz. $1 million per Human Development Report. The project covering the preparation and production of the report will be appraised and approved in accordance with usual UNDP procedures.

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## Subcategory C2: Special Plan of Economic Cooperation for Central America

Earmarking: $20 million

### General description and purpose

12. The Special Plan of Economic Cooperation for Central America was endorsed by the General Assembly of the United Nations on 12 May 1988 in resolution 42/231, to contribute to the economic and social development of the subregion in support of the Esquipulas II peace agreements. In July 1988, the UNDP Governing Council allocated $20 million from the SPR to finance activities to promote, implement and coordinate the Special Plan, given UNDP's role as lead agency.

13. Subsequently, the Central American Governments approved the decision-making mechanisms for implementation of the Special Plan. These mechanisms consist of a Committee on Policies and Projects (Central American Ministers and representatives of the United Nations and Inter-American Systems); the Support Committee (with the same composition but at the level of Vice-Ministers); sectoral meetings with cooperating Governments and institutions; and ad hoc mechanisms for sectoral or thematic activities. At the same time, an intraregional decision-making mechanism was approved by the Central American Governments. As at October 1991, the Vice-Ministers responsible for the implementation of the Special Plan had held 15 meetings.

14. The Special Plan can be viewed from different perspectives. It provides a framework and establishes priorities for international development cooperation targeted to the region as a whole. In this regard, PEC has significantly contributed to consensus building by means of structured consultative processes with governmental focal points, sectoral ministries and regional integration institutions.

15. From another perspective, the Special Plan assists the Central American Governments and the regional institutions in preparing the documentation, including profiles of priority investment as well as technical cooperation projects, in order to mobilize resources. The Special Plan also contributes to capacity-building of Governments and regional organizations.

16. The above-mentioned mechanisms for the implementation of the Special Plan are also instruments which foster increased aid coordination. Within this framework, UNDP works closely with Central American Governments, regional institutions, United Nations agencies, bilateral donors and the development banks, both at headquarters and in the field.

17. The SPR allocation plays a catalytic role in the implementation of the Special Plan. SPR funds have been used to finance technical cooperation projects on critical Central American development issues, such as assistance to uprooted populations (in particular, the Italian-financed Development Programme for Refugees, Returnees and Displaced Persons (PRODERE) programme),

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the formulation of agricultural policies and lending operations (the World Bank-executed project RUTA II), the restructuring of the Central American Monetary Stabilization Fund, and the strengthening of the Central American Bank for Economic Integration. As at the end of August 1991, 58 technical assistance projects totalling $138.4 million had been approved or had reached the final stages of approval. Of this amount, $16.2 million are financed from SPR. The balance reflects co-financing by other sources or parallel financing modalities. There is a pipeline portfolio of projects awaiting approval which totals $8.7 million.

18. Another important use of SPR has been as seed money to mobilize resources for both technical cooperation and investment in the subregion. Portfolios have been formulated for an approximate amount of $2.3 billion in external resources for an International Conference on Central American Refugees, International Commission of Support and Verification, agriculture, the electrical sector, telecommunications and road networks. The portfolios were presented at sectoral/thematic meetings with cooperating Governments and institutions, resulting thus far in pledges amounting to $312 million.

19. Other efforts within the framework of the Special Plan are noteworthy: the EEC 120 million ECU project to strengthen the Central American payments compensation facility to promote intra-regional trade, and the WHO/PAHO coordinated programme "Health and Peace towards Development and Democracy" which has mobilized $150 million for the health sector during its first phase.

## Objectives and strategies

20. The evolving international context and its effects on Official Development Assistance (ODA) flows to the region, the result of the Central American Presidential Summit Meetings (La Antigua, Puntarenas and El Salvador), and an assessment of progress achieved in the implementation of the Special Plan, determined a revision of the implementation strategy, which was agreed to at the Geneva meeting with donors (July, 1989).

21. The revised strategy also took into consideration new initiatives for international cooperation for Central America: the USA-sponsored "Partnership for Democracy and Development", the IDB-led Regional Consultative Group, and the agreements reached by the Presidents of Central America and Mexico in their summit meeting at Tuxtla Gutiérrez, Mexico.

22. The revised Special Plan Strategy focuses upon the following priorities:

(a) Development-oriented assistance to refugees, returnees and displaced persons, with particular attention to national peace initiatives;

(b) Social development to alleviate the impact of adjustment policies on the most vulnerable social sectors, the enhanced provision of social services and improved policy formulation and implementation capabilities in the subregion;

(c) Environment and sustainable development of natural resources. Institutional strengthening of the Central American Commission on Environment and Development technical support to ongoing regional efforts in the forestry sector, and the formulation and implementation of an on-farm agro-forestry programme targeted to small farmers;

(d) Policies and actions directed to the private sector. Contribution to the creation of an enabling environment for private sector development. Industrial modernization, technological development and promotion of international trade with special emphasis on export expansion.

23. The implementation of the above thematic/sectoral priorities will emphasize actions for capacity-building and human resources development in the subregion. In particular, special attention will be given to the restructuring and strengthening of Central American integration institutions, especially the secretariat of the General Treaty of Central American Economic Integration, the Central American Bank for Economic Integration, and the Central American Monetary Council.

24. Also to be continued are the mobilization of resources and support to selected activities connected with some priority areas previously defined by the Central American Governments, such as agriculture, physical infrastructure and tourism.

## General guidelines

25. Projects in this subcategory must have the consensus and respond to sectoral priorities established by the five Central American countries, in particular, those reflected in the Presidential Summit Meetings. Projects are subject to established UNDP norms and procedures of project formulation, approval, implementation, monitoring and follow-up.

26. A regional project may involve different activities including advisory services, training, seminars and meetings aimed at resource mobilization. Preparatory assistance projects are generally implemented as a first stage in order to ensure consensus, to test pilot activities, and to design large-scale projects.

27. Regional projects involve the participation of the five Central American countries. In some cases, the projects include Panama (e.g., agriculture, telecommunications, health) and Belize (e.g., CIREFCA, health).

28. There are no limitations foreseen on eligibility for assistance in this subcategory.

29. Various United Nations agencies and institutions participate in the implementation of the Special Plan at the programme and project levels: ECLAC, FAO, UNCTAD/GATT, UNCTAD/ITC, ITU, ILO, UNIDO, WHO/PAHO, World Bank. UNICEF and WHO/PAHO coordinate programmes within the framework of the Special

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Plan. It is noteworthy that the implementation of CIREFCA is jointly carried out by UNHCR and UNDP.

30. The implementation of the Special Plan is coordinated by the Regional Bureau for Latin America and the Caribbean Division II, which also has the responsibility for the national programmes of the Central American countries. Hence, many regional projects are closely linked or complementary to country-level projects. There are several examples of successful national projects which have been regionalized. A preparatory assistance regional project for poverty alleviation links national initiatives and ongoing facilities to social investment funds. In the area of sustainable management of natural resources, Special Plan initiatives (e.g., projects with the Central American Commission on Environment and Development and the Tropical Forestry Action Plan - Central America) are coordinated with national strategies.

31. The national and the regional programmes for water and sanitation are linked to the UNDP interregional programme on the subject.

## Specific criteria for approving the use of SPR funding

32. The Central American countries defined a strategy for the allocation of resources according to priorities by sectors and areas. This strategy has been taken into consideration by the Governing Council in earmarking $20 million for the Special Plan in the fifth cycle.

33. Projects related to the Special Plan should involve the participation of regional Central American organizations as counterparts, implementing agencies or associated agencies, in order to contribute to institutional capacity-building.

34. The issue of sustainability after project completion must be explicitly considered.

35. Another issue is complementarity and/or coordination with activities of bilateral and other multilateral agencies regarding technical and financial cooperation for Central America.

## Individual activities: design, approval and implementation

36. Basic elements to be included in the project documents for the activities funded under this sub-category are as follows:

(a) All project documents for the activities funded under this subcategory must respond to the Special Plan priorities and reflect the criteria already described. The institutional arrangements must assign clear roles to both the national and/or the regional counterparts.

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(b) Formulated and executed at the country level and field offices submission of project documents to the regional bureaux for review/appraisal. Formulation and execution are responsibilities of field offices with the cooperation of other United Nations agencies and/or regional organizations. Support is given by headquarters to the resident representatives for these processes.

(c) Review, approval, monitoring and evaluation, during the fourth cycle, SPR-financed projects in this subcategory were subject to the same procedures for appraisal, monitoring and evaluation as UNDP regional programmes. This practice will continue in the fifth cycle.

37. In connection with the revised strategy for the Special Plan, an assessment by external consultants of progress achieved in implementing the new priorities will be made during the third quarter of 1992.

## Funding requirements

38. The funding requirements are as follows:

(a) Over the fifth cycle. $20 million will be allocated to priority themes/sectors (described in paras. 20-24) in 1992-1994; in keeping with General Assembly resolution 45/231 of 21 December 1990, by which the Special Plan was extended for a new three-year period 1992-1994.

(b) Over the next two years. $14,540,000 will be allocated to the same sectors in 1992-1993.

## Subcategory C3: United Nations Programme of Action for African Economic Recovery and Development

Earmarking: $10 million

## General description and purpose

39. The United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (UNPAAERD) was adopted by the General Assembly at its thirteenth special session (S-13/2, annex).

40. The programme, in accordance with the objectives and strategies of the African Priority Programme for Economic Recovery 1986-1990 (APPER), sought to reverse the economic decline in the region and to establish a firm basis for sustainable development. UNPAAERD placed special emphasis on actions for the improvement of the food situation and the rehabilitation of agricultural development in Africa; drought and desertification management; human resources development; and socio-economic policy reforms, including measures for alleviating Africa's external debt burden.

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41. UNDP supported the implementation of the priorities of UNPAAERD mainly through: (a) the establishment of coordinating mechanisms for overseeing and monitoring the implementation of the Programme of Action involving $2.3 million, and actively participated in consultative mechanisms; (b) reorientation of country and regional programmes in the Regional Bureau for Africa (RBA) and the Regional Bureau for Arab States and Europe (RBASE); (c) institution of special measures in support of African economic recovery and development by the RBA and RBASE, including: NaTCAPs, revitalization of planning and a number of programmes in support of the private sector; (d) enhanced activities and programmes by special funds under the Administrator such as UNSO and the Division for Non-Governmental Organizations.

42. The final review of UNPAAERD is under way under the auspices of the General Assembly but the unmet needs of the African continent are recognized by the focus on the Africa region of the United Nations Mid-Term Plan for the period 1992-1997.

## Objectives and strategies

43. The major emerging needs for assistance in Africa in the course of UNPAAERD was the subject of the Maastricht Conference on Africa, held 2-4 July 1990. At the Conference, the African Heads of State, Ministers of Planning and senior government officials agreed that among the priority needs for Africa in the 1990s are national long-term frameworks for socio-economic development; the development of African capacity for socio-economic policy formulation and implementation; regional integration; human resources development and the mobilization of enhanced resource flows for the region, including debt relief. These themes have been reflected in the draft successor arrangement to UNPAAERD before the General Assembly at its forty-sixth session (see document A/46/41, chap. 11, "United Nations new agenda for the development of Africa in the 1990s").

44. It is important that SPR funds earmarked for African economic recovery and development should go to support the priority needs already identified by African Governments. The resources will be used as seed money to catalyse resources from other external sources on the one hand, and to mobilize the collective efforts of African countries on the other. SPR programmes will also be innovative. On the basis of the foregoing, two areas are proposed for the use of the $10 million earmarked for African economic recovery and development:

(a) National long-term perspective studies (NLTPS): One conclusion emerging from the efforts during UNPAAERD is that the economic recovery and development of Africa requires a longer term framework than traditional three-year adjustment programmes allow. Issues of environmental degradation (desertification, soil erosion, deforestation etc.), population growth, including the consequences of HIV/AIDS; poverty alleviation; science and technology, etc., require the building of a national consensus on a longer term strategy. These issues, long neglected because of the economic crisis, are complex, interrelated and long-term in nature. The foundations of the diagnosis are to be found in the recent World Bank study: "From Crisis to Sustainable Development; a Long-Term Perspective Study", and in ECA's report entitled "Alternative Framework for Structural Adjustment" both of which called for renewed attention to long-term structural transformation of African economies and societies. This message is congruent with the UNDP Human Development Report, which lays down a new development paradigm and articulates the importance and the role of human beings as means and end of any development strategy. The exercise will involve strong technical backstopping to develop methodologies, monitor progress and share experience.

(b) African Capacity-building Initiative (ACBI): The economic crisis in Africa of the 1980s, the resultant scrutiny of economic policies and the implementation of reforms and structural adjustment programmes have all highlighted the urgent need for stronger capacities within African countries for the preparation of economic and social policies and for the management of development programmes. As both the ECA's framework paper for Africa's recovery and the World Bank's study on Africa's long-term development prospects emphasize, sound economic and social policies are a necessary but often not a sufficient condition for long-term economic development. To be effective, these policies must be sustainable. Policy sustainability in turn requires a strong sense of African ownership. Of increasing concern is the need to build African capacities in policy analysis and development management. This will help reduce the excessive reliance on external assistance in formulating key policies and their implementation. Even more crucial is the need to build such capacities in Africa by supporting the revival of centres of excellence on the continent. UNDP is therefore collaborating with the World Bank, the African Development Bank and the major bilateral donors in a sustainable African capacity-building initiative. To further the above objectives, an African Capacity-Building Foundation has been established. UNDP's assistance is directed at the creation of the ACBI Management Team, which will be the operational arm of the Foundation. The Team will implement the ACBI work programme and manage a $100 million ACB Fund, of which $80 million has been committed so far by donors, including African Governments.

45. The proposal to use SPR resources for the NLTPS and ACBI takes into account the draft of the United Nations new agenda for the development of Africa in the 1990s. The NLTPS will help to define the framework for achieving the objectives of the agenda such as sustained and sustainable growth and development, regional and subregional cooperation and integration, democratization, investment promotion, human resources development, environment and development, and strategies for agricultural and rural development. The ACBI on the other hand will assist in capacity building to support these themes. However, at the end of the General Assembly's deliberations UNDP may be called upon to meet other obligations. It is the intention, as at the end of October 1991, to finance approximately half of the NLTPS and ACBI programmes from SPR and the remaining half from the regional IPF resources. This arrangement could be adjusted if necessary to accommodate any specific requirements arising from the General Assembly's discussions.

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## General guidelines

46. The NLTPS and ACBI will be funded as regional projects and will be approved by the Action Committee. Regular meetings will be held between RBA and RBASE to coordinate initiatives and to ensure balance in the allocation of SPR funds.

## National long-term perspective studies

### Objective and strategies

47. The overall objective of this major policy initiative is to assist African nations to examine the implications of long-term trends and development goals, to formulate flexible strategies for the 1990s and beyond, and to articulate short/medium-term programmes consistent with the requirements of the long term.

48. UNDP will finance the costs related to two management teams, one located in Abidjan, the other in Harare, international and local consultants, a study fund, short-term fellowships for academics of the centres of excellence, training of trainers, subregional workshops to discuss and disseminate the findings of the project, and consumable and durable equipment. The two teams will serve all countries on the African continent. The regional project will also finance the costs related to the meetings of a scientific advisory board.

49. Much of the NLTPS activities will be carried on within the country and by nationals. A necessary precondition/eligibility is the Governments' commitment to the exercise, demonstrated by willingness to commit national personnel and to put in place the institutional arrangements needed to carry out the exercise. Since the Maastricht Conference 26 African countries have already indicated interest in launching their own NLTPS, either by requesting UNDP's assistance, or by taking concrete steps to implement their own NLTPS.

50. The exercise will be carried out in close collaboration with the World Bank and the Economic Commission for Africa.

### Specific criteria for approving the use of SPR funds

51. The project must:

(a) Serve as a catalyst and support national capacity mobilized to conduct NLTPS;

(b) Assist countries to operationalize their NLTPS;

(c) Develop a network of national experts and African research institutions specialized in perspective studies and development policy; promote greater synergy between regional and national levels through better

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use of resources and coherence between regional and subregional dimensions, and national projections.

### Individual activities: design, approval and implementation of activities

52. A regional project to develop the theoretical underpinning for long-term perspective studies and to provide catalytic support to the national efforts will be established. Although the project is regional, many of its activities will be rooted in individual countries. Therefore, funding of the regional project will be used for launching long-term studies at the national level, as well as for developing a core methodological framework and backstopping facilities. The project will be subject to normal UNDP policies and procedures. Monitoring of the project will be assured through a six-month reporting system, and an external evaluation is planned after two years. The proposed executing agency is UNDP/Office of Project Services.

### Funding requirements

53. The total cost of the regional NLTPS project is estimated at $9.6 million, of which $5 million will be financed from the SPR and the remaining $4.6 million from the regional programme resources.

## African capacity-building initiative

### Objective and strategies

54. ACBI is aimed at building and strengthening national capacity in policy analysis and development management. It seeks in particular to place investment in human capital and institutions high on the agenda of African Governments and donors.

### General guidelines

55. In its work programme, ACBI will focus on: (a) the rehabilitation and improvement of selected regional and national institutions (selected universities, research institutions, etc.) in order to promote the concept of "centres of excellence"; (b) the strengthening of policy units in key government ministries; (c) the provision of fellowships and in-service training; (d) the strengthening of local consulting firms. These activities will be financed from the ACB Fund. UNDP resources will finance the ACBI Management Team, which will be the operational arm of the ACB Foundation.

56. Recognizing its catalytic role and the complex interplay of factors involved in capacity strengthening, the ACBI will support activities based on a careful assessment of national capacity needs and a strong commitment from

beneficiaries, especially Governments, to sustain the capacities being developed. It will also promote in its activities the use of African experts and institutions. And, critically, it will promote a coordinated approach to capacity-building activities and development practices in Africa.

57. The task of rehabilitating African institutions is enormous. The ACBI is therefore viewed as a pilot project in its initial four-year period and will focus on selected regional and national programmes and institutions that hold great promise. The success of the project will depend in part on other donors' support and encouragement of ACBI activities.

58. UNDP, the African Development Bank and the World Bank are the main sponsors. The World Bank will be the executing agency. ACBI is intended to represent a true partnership between Africa and the entire donor community. United Nations agencies with expertise in specific areas of human resources development such as UNESCO and ILO will be called upon as appropriate.

59. ACBI is an experimental four-year programme designed with the specific aim of exploring innovative approaches to the building of policy analysis and development management capacities. Close coordination with donors is considered particularly important, in fact essential, for example, by co-financing or associating ACBI programmes with other donor-supported activities. In light of this, it is proposed that ACBI be financed from both SPR and regional programme resources. Out of the anticipated $9.8 million, SPR funding will amount to $5 million. UNDP funding will be limited to the catalytic ACBI management team. An ACBI fund of $100 million is expected to be contributed by other donors. Other principal sponsors - namely, the African Development Bank and the World Bank - will be providing $6 million and $15 million respectively for the ACB Fund.

## Specific criteria for approving the use of special programme Resources

60. The ACBI must:

(a) Create a consultative forum in which Africans can participate as full partners in the setting of priorities and development of policies to promote capacity building in policy analysis and development management;

(b) Establish processes for coordinating capacity-building efforts in policy analysis and development management that would lead to greater efficiency and effectiveness of ongoing donor efforts;

(c) Provide funding and resources to enhance new and ongoing capacity-building and capacity-utilization activities in policy analysis and development management in Africa;

(d) Provide support to institutions carrying out activities designed to stem the brain drain and to utilize, to the maximum extent, available African talent;

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(e) Establish systematic links between economic research and training institutions, on the one hand, and Governments on the other, to foster greater understanding and communication between such entities;

(f) Mobilize financial and technical resources for increased investment in human capital and manpower institutions (research and training) in Africa on a consistent, sustainable and long-term basis.

### Procedures to be included in the project document

61. An umbrella regional project that meets the above criteria will have to be approved by the Action Committee. The UNDP project will be subject to the normal UNDP procedures for review, reporting and evaluation. Specifically, given the scope of the initiative, the executing agency will report to UNDP on a six-monthly basis for the first year, and annually for the subsequent years. A mid-project evaluation will be carried out in 1993. Towards the end of the four-year period, a comprehensive evaluation of the ACBI will be carried out in order to determine the need and basis for its continuation.

### Funding requirements

62. Out of a total requirement of $9.8 million, SPR funding of $5 million is required, broken down as follows: year one ($1.5 million); year two ($1.5 million); year three ($1.5 million); and year four ($0.5 million).

## Subcategory C4: Drug abuse control/crop substitution

Earmarking: $5 million

### General description and purpose

63. Illicit drug production and trafficking has a strong negative influence on the process of human development. Although SPR funds were not allocated for drug abuse control and crop substitution in the fourth cycle, UNDP has assisted Governments in all regions, through various regional and country-based activities, to address this severe and continuing problem. The United Nations Fund for Drug Abuse Control (UNFDAC) and its successor, the United Nations International Drug Control Programme (UNDCP), have also generated a significant volume of resources for programmes in these areas in the past. Other United Nations agencies which have also been active in this field include IFAD, ILO, UNIDO, WHO, and to a lesser degree FAO, ICAO and UNESCO. UNDP/OPS has executed many projects in the area of illicit drug demand and supply reduction for UNFDAC/UNDCP.

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## Objectives and strategy

64. As the SPR funds are limited and the dimensions of the problem are vast, it will be necessary for the programme to concentrate on a few key objectives with development implications to which UNDP would bring comparative advantages:

(a) Better informed and more realistic analysis of the macroeconomic context and enhanced global policy development benefiting countries and regions;

(b) Support for UNDP's overall human development mission through elaboration of regional and country-specific drug-related strategies; and

(c) Strengthen feedback of experience and provide forums for dialogue with donors and Governments of those countries most concerned with the problem;

(d) Make action possible on cross-sectoral international problems not at present being addressed by other United Nations organizations.

65. An integrated approach will be followed by UNDP, involving aspects of substitution and income alternatives, agricultural pricing, supply, trade and demand as well as training, health information and infrastructure improvements. Analytical studies on specific issues and well-targeted capacity-building activities are envisaged for each region, concentrating on their own location-specific problems and situations but also on exchange of global experience. The following aspects will also need to be addressed: community participation, generation of employment opportunities, financial resource flows, impact on investment, distortion of economic priorities, information database, judicial actions and legislation against illicit drug traffic, analysis and exchange of experiences, coordination of assistance and focused education programmes.

66. Collaboration will be further strengthened with UNDCP, created under General Assembly resolution 45/179, which combines the functions of the former UNFDAC, the secretariat of the International Narcotics Control Board (INCB), and the Division for Narcotic Drugs (DND) and thus assumes a new leadership role.

67. The resources will be used to build on the lessons of previous assistance programmes in this area and to support innovative and forward-looking proposals. Analysis of different approaches, initiated through this programme, should contribute to the formulation of more cost-effective and workable programmes in drug abuse control and crop substitution in the future.

## General guidelines

68. The general guidelines are as follows:

(a) The funds will support analytic studies, policy/strategy development at the global, regional and country level, exchange of experience, coordination of efforts and the development of training programmes. Work will be undertaken in closest coordination with the UNDCP and will be problem-oriented, serving expressed needs at country and regional levels. It can be expected that the results of the various activities will have a considerable impact on how UNDP will incorporate drug issues in the programming of IPF resources;

(b) Activities will be focused on policy and strategy development;

(c) Not more than 50 per cent of the resources will be allocated initially to any one region;

(d) The facility should not be seen as a supplement to existing programmes, but rather as a policy-oriented, sensitizing and catalytic tool for the integration of drug abuse control and crop substitution concerns into relevant global, regional and country operations;

(e) All United Nations organizations involved in drug abuse control and crop substitution activities, with UNDCP at the centre, will be closely associated with the planning, identification, formulation, implementation and feedback of the specific activities to be funded through SPR. The United Nations organizations include WHO, UNIDO, ILO and IFAD, which are concerned, respectively, with substance abuse, issues of legislation, alternative employment options and rural development, and are closely involved. Governments will also be consulted;

(f) As appropriate, the resources will also be used as seed money to promote and generate additional funding from IPF sources and bilateral donors.

## Specific criteria for approving the use of special programme resources

69. Projects to be supported should have the following features:

(a) Enjoy an integrated approach, involving aspects of substitution and income alternatives, agricultural pricing, supply, demand, as well as training, health information and infrastructure improvements;

(b) Focus on policy and strategy development;

(c) Be closely coordinated with activities of other donors, relevant United Nations organizations and Governments;

(d) Take into account the lessons of past experience.

### Individual activities: design, approval and implementation

70. The following rules must be borne in mind:

(a) The format of individual project documents within the subcategory programme will follow existing UNDP guidelines.

(b) Identification and pre-appraisal of projects will be undertaken by all interested parties in the field, at headquarters and in the United Nations organizations concerned. Submissions will be made through the regional bureaux.

(c) Project appraisal will be undertaken by the Programme Development and Support Division of BPPE together with the Regional Bureaux. Subsequently, the projects will be submitted to the Action Committee for approval, as appropriate.

(d) The programme will be monitored by a technical support team (UNDP/UNDCP/Regional Representatives) under the leadership of BPPE. Progress reports will be submitted annually to the monitoring team and interested Governments. Two full-scale evaluations of the programme will be conducted, one at mid-point and a second at the end of the five-year cycle, according to standard UNDP rules.

### Funding requirements

71. Expenditure of the $5 million is expected to be approximately $1 million each year over the fifth programming cycle.

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|---|---|
| Subcategory C5: | Human immunodeficiency virus/Acquired immunodeficiency syndrome (HIV/AIDS) |
| Earmarking: | $5 million |

### General description and purpose

72. The HIV epidemic threatens the health and well-being of people as well as the social and economic development of nations. In recognition of this, the WHO/UNDP Alliance to Combat HIV/AIDS agreement was signed in March 1988 at the beginning of the international response to the epidemic. The Alliance recognizes WHO's leadership in health policy and in health and biomedical matters and UNDP's leadership in social and economic development.

73. Since 1987, UNDP has funded and supported the work of the WHO Global Programme on AIDS. The primary focus of this work has been to create and strengthen national planning and programme delivery capacities to stem the epidemic and to address the burden of psychological trauma, morbidity and mortality caused by the spread of the virus. UNDP is the largest single contributor to the Global Programme on AIDS and this collaboration is expanding at both country and global levels.

74. As the epidemic deepens, the extent of its potential impact is becoming better understood. With one in every 250 adults in the world already infected and this number increasing daily, it is clear that the epidemic will have profound implications for every aspect of national development. The epidemic will, as it spreads and deepens, force a rethinking of approaches to national planning and development assistance. At the same time, illness and death in large numbers of the active labour force will generate a need for replacement social investment at a time of shrinking resources. This will undermine national capacity to plan, manage, and deliver programmes in countries with high infection rates.

75. Because of this, UNDP's role under the Alliance is expanding. More and more frequently, it is assisting in building national capacity to maintain the human, physical, social and economic infrastructure in the face of increasing HIV-related morbidity and mortality.

76. It is not envisaged that UNDP will carry sole responsibility for these aspects of the epidemic. At country, regional and interregional levels, UNDP is committed to the pursuit of coordinated, complementary and harmonious actions by all members of the United Nations system, as envisaged in the WHO/UNDP Alliance. Indeed, the key reason for the request by WHO in 1987 that an alliance to combat HIV/AIDS be initiated was the lead role of UNDP at the country level in social and economic development, and in the coordination of national capacity building and resource mobilization. The extent of the developmental dimensions of the epidemic demand that our response be comprehensive, interdisciplinary and collaborative.

77. During the fourth programming cycle, limited SPR funding was made available to launch two major initiatives:

(a) The Global Blood Safety Initiative executed by WHO to support sustainable and safe blood transfusion systems, approved by the Governing Council in February 1988 (SPR inputs total $350,000);

(b) An interrregional programme to strengthen UNDP's and Governments' capacities to respond to the socio-economic dimensions of the HIV epidemic, approved in August 1990 (SPR inputs total $150,000).

78. These initiatives have been recognized as essential in addressing two critical areas in the fight against HIV. Both initiatives have generated further funding from the IPF and cost-sharing.

79. As the epidemic worsens and continues its alarming rate of spread, it is becoming ever more apparent that both national and international responses need to address its devastating social and economic consequences. This requires not only a better understanding of the impact of the HIV epidemic on all aspects of human development, but also the timely development of appropriate comprehensive policies and strategies.

## Objectives and strategies

80. The nature of the HIV epidemic demands an urgent and effective response by the international community. In dealing with policy and programme development for the epidemic, Governments and development professionals find themselves facing a new and highly complex phenomenon. New knowledge and programming tools will be needed to respond in an effective and timely way to the multidimensional aspects of the epidemic. Requirements include not only significant increases in human and financial resources but also new and innovative programme and organizational approaches to assist Governments, communities and organizations involved in the fight against the epidemic.

81. SPR funds will be used exclusively for HIV-related policy and programme development activities. The aim will be to involve communities, academic institutions, non-governmental organizations, Governments and the United Nations system in identifying effective interventions for responding to the multisectoral dimensions of the epidemic. The identified interventions will enhance the relevance, quality and effectiveness of national and technical assistance programmes and, in particular, of UNDP's fifth cycle programming.

## General guidelines

82. All SPR activities will be guided by the Global AIDS Strategy, the policy framework established consultatively by WHO's Global Programme on AIDS, the Policy Framework for UNDP's response to the HIV epidemic (DP/1991/57), and national policy frameworks set by national HIV/AIDS programmes.

83. Programme and policy development activities to be financed from the SPR will include:

(a) Programme development workshops and study tours normally at subregional or regional levels, which will explore innovative ways of increasing and measuring programme effectiveness;

(b) Multisectoral policy development through meetings, discussion papers, consultations and technical assistance, either geographically or thematically focused;

(c) The exchange and application of research findings, information and methodologies relevant to programme and policy developments and evaluation;

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(d) The development of gender-sensitive approaches to programme and policy development;

(e) Development of approaches to enhance national multisectoral strategic planning to minimize the impact of the HIV epidemic (e.g., on productivity, labour availability, replacement and training, on the tax base and on demographic change).

84. Although all countries will benefit from SPR-supported preparatory work and programme development in HIV/AIDS, it is not envisaged, given the limited funds in the SPR allocation, that SPR funds will be used to implement national projects and programmes. These should be funded from IPF and other sources, including cost-sharing. Funds will be allocated to take into account the need for a proper balance among prevention, care, support, treatment and other services and efforts to minimize the socio-economic impact of the epidemic. Not more than 50 per cent of the SPR allocation will be allocated to any one region.

85. SPR-funded HIV/AIDS activities will increase the effectiveness of interventions at the country and regional levels. They will be catalytic in nature, designed to improve the quality and effectiveness of IPF-funded programmes and projects. Modalities for enhancing relevance and quality of country level programmes include: training, operations research and studies, dissemination of relevant information, programming workshops and fielding of short-term consultants for programme and policy development, monitoring and evaluation.

86. UNDP actively consults a wide range of United Nations partners, including the WHO Global Programme on AIDS, WHO regional and country offices, international financial institutions, particularly the World Bank, UNICEF, UNFPA, the Department of International Economic and Social Affairs, other organs and agencies of the United Nations system, member Governments, NGOs and experts from a wide range of disciplines in order to explore how best to support national multisectoral policy formulation and programme development and delivery.

87. Mechanisms will be established to ensure effective collaboration with United Nations organizations, in particular WHO, in implementing HIV activities supported by the SPR.

88. Bearing in mind the catalytic nature of SPR resources, it is anticipated that activities supported by the SPR will be used to develop approaches which can be implemented through country, regional, interregional and global IPFs.

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## Specific criteria for approving the use of special programme resources

89. The use of SPR funds should be guided by UNDP's policy framework and in particular specific HIV/AIDS directives given by the Governing Council (decisions 90/9 and 90/25):

(a) To increase awareness of the development implications of the epidemic;

(b) To strengthen and expand on the responses of communities to the epidemic;

(c) To promote and assist prevention, care, support and treatment programmes for women;

(d) To assist Governments to develop effective multisectoral strategies to respond to the social and economic impact of widespread HIV infection.

## Individual activities: design, approval and implementation

90. Given the urgency of ensuring timely and effective responses, it is proposed that an umbrella project document be prepared and submitted for approval to the UNDP Action Committee. The types of activities to be considered for funding under this project would be formulated in accordance with the guidelines set out in this document. Requests would be channelled to the designated HIV and Development Programme Manager. Proposals may be submitted by UNDP field offices, regional and intercountry programmes, United Nations bodies, academic institutions, NGOs and community-based organizations. Guidelines for the use of SPR funds will be prepared and made available to all field offices and other relevant units of UNDP. The umbrella project will be executed by UNDP/OPS with provisions for subcontracting.

91. An Advisory Group will be established comprising the focal points from the regional bureaux and other concerned individuals, including managers of the NGO and WID programmes. The Advisory Group will provide guidance to the HIV and Development Programme Manager.

92. The Programme Manager in consultation with other relevant units, in particular the regional bureaux, will be responsible for monitoring the use of SPR funds. A mid-term evaluation of the programme will be carried out in accordance with UNDP procedures.

## Funding requirements

93. The funding requirements are as follows:

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|---|---|
| 1992-1993 | $3 million |
| 1994-1996 | $2 million |

**Subcategory C6:** Social dimensions of adjustment

**Earmarking:** $1.3 million

## General description and purpose

94. In May 1988, UNDP, the African Development Bank (AfDB), and the World Bank launched the Social Dimensions of Adjustment (SDA) Project in Africa, in response to the widely felt need to address the social consequences of structural adjustment programmes (SAPs). The main objective of the project was to assist African countries in:

(a) Improving the management of macroeconomic and sectoral policy;

(b) Designing social action programmes and projects better targeted on vulnerable socio-economic groups;

(c) Strengthening national information systems to enhance policy and programme formulation;

(d) Institution building and training to integrate social dimensions into the ongoing reform of policy making and implementation.

95. The response of African Governments and the donor community in support of the project was enthusiastic. The donor community has actively supported the project, with 15 multilateral and bilateral donor agencies providing support.

96. Thirty-three Governments in Africa formally joined the project, and official requests from three more are pending. Through the regional project, national projects have been formulated to address the social aspects of adjustment. These activities are being implemented either as self-standing activities or as components of larger projects co-financed by IBRD/IDA, the ADB, UNDP and other donors. To date, SDA country activities are being implemented in 16 African countries, and programme appraisals have been carried out in an additional 9.

97. Under the project, some advances have been made in terms of each of the four objectives. Some contribution has been made to an improved understanding of the social aspects of the adjustment process, and to an identification of the data requirements for improved social policy and planning. In addition, participating Governments have been supported in their attempts to improve the integration of social policy objectives such as employment and income distribution into the design of their structural adjustment programmes.

98. Given the ambitious and experimental nature of the project, it was inevitable that some weaknesses would emerge. An interim evaluation of the UNDP-funded project carried out in 1990 provided an analysis of the major shortcomings of the project. The most important issues raised by the evaluation were:

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(a) The need for better clarification of the relationship between activities aimed at assessing the emerging social situation, and those aimed at improving the capacity of Governments to design and implement poverty alleviation programmes;

(b) The need for statistical activities to be guided by nationally determined priorities and future sustainability;

(c) The need to bring balance into regional and country-level project activities by shifting resources away from the conceptual and methodological level, towards poverty-focused national project formulation and implementation;

(d) The need for substantial change in project focus and organizational structure, to give a more systematic role to other United Nations agencies and to foster greater diversity in the approach to the issues.

99. In developing a second phase of the project, the recommendations of the evaluation report are being fully incorporated. The outcome will be a more country-focused, country-driven programme, with more systematic involvement of the specialized agencies of the United Nations system.

100. The vehicle for the next phase of activities will be an SDA programme made up of three components, namely: an AfDB project, a UNDP project, and a World Bank project. It involves cost-sharing arrangements between these three co-sponsoring agencies and bilateral donors. The UNDP project, with a budget of $6.3 million, will be funded mainly from the Africa regional IPF ($5.1 million) and SPR ($1.33 million).

101. The UNDP project will have two main objectives. First, it will aim to strengthen African Governments' capacity to participate more fully in the collective dialogue at regional and national levels by enhancing their policy analysis capabilities. Secondly, it will aim to strengthen the capacity of research institutions located in the Africa region to monitor the process of macroeconomic and sectoral policy reform, and to support the production, review and dissemination of research results. The UNDP project also includes a component for coordinating, monitoring and managing the dialogue on the overall second phase programme.

102. In tandem with the above objectives, the SPR resources will be used to extend the lessons of experience, and the dialogue concerning the adjustment process, beyond the Africa region. It will supplement IPF resources for strengthening the capacity of developing countries to own and manage their policy reform processes.

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## Objectives and strategies

103. The specific objectives of the SPR-funded activities are twofold: first, to feed into the policy dialogue in other regions the results of experience and research in the Africa region, and to enable African researchers and policy makers to benefit from experience in other regions; secondly, to strengthen the capacity to monitor the social impact of the adjustment process by research institutions and policy makers in developing countries.

104. In order to make available to non-African LDCs undertaking stabilization and adjustment reforms similar to those in Africa, the lessons from the SDA experience in Africa and the activities for achieving this set of objectives will be designed with a global perspective. Such countries as Guyana, Haiti, and Jamaica in Latin America and the Caribbean region, Bangladesh, Pakistan, Papua New Guinea and the Philippines in the Asia and Pacific region, and Algeria, Egypt, Jordan, Morocco and Yemen from the Arab States, may benefit from lessons drawn from the African experience, and vice versa. Eastern European countries currently undertaking macroeconomic and structural adjustment programmes may also draw on the African experience.

105. The strategies for achieving these objectives will be the promotion of networking among research institutions in different regions for conducting policy-relevant studies on the adjustment reform experience; the support of interregional forums in which policy makers and policy analysts from different regions may learn from each other's experience; and the strengthening of capacities in developing countries to feed back policy-related findings into their reform programmes.

## General guidelines

106. It is expected that the project will strengthen the capacity for a more effective monitoring of the social and distributional effects of changing economic trends, and for better informed analysis, design and implementation of socio-economic policy interventions.

107. The SPR funds will be used to promote networking among African research institutions, and to link these institutions with similar ones in other developing countries. It will also support the preparation and dissemination of research and policy studies on the social dimensions of the adjustment process, and provide forums which bring together researchers and policy makers from different developing countries. Furthermore, it will be used as a catalyst to IPF-funded activities aimed at strengthening the capacity of developing countries to own and manage the policy reform processes.

108. All developing countries undertaking macroeconomic reform programmes will be eligible.

109. No limitations are foreseen.

110. The SDA programme, in implementing the recommendations of the interim evaluation, will work closely with the United Nations agencies. The overall programme is co-sponsored by the African Development Bank, UNDP, and the World Bank. Overall guidance is provided by a Steering Committee which includes representation from ECA, FAO, IFAD, ILO, IMF, UNDTCD, UNFPA, UNICEF, United Nations Statistical Office and WHO, as well as many bilateral donors. The UNDP project includes provisions for supporting the active participation of United Nations specialized agencies in the implementation of the Phase II programme.

111. The SPR-supported component will be coordinated closely with complementary activities funded by the Africa regional IPF. In addition, it is expected that the activities financed by the SPR will result in the use of national IPFs to support capacity-building activities in the area of social policy and its integration with macroeconomic policy formulation.

## Specific criteria for approving the use of Special Programme Resources funding

112. The following criteria will be applied:

(a) A clear contribution to the promotion of networking among policy makers, policy analysts and researchers in developing countries;

(b) Relevance to the development of poverty-sensitive economic reforms and improved social policy and planning in countries undergoing structural adjustment;

(c) Linkages between SPR-funded activities and activities funded by national and regional IPFs.

## Individual activities: design, approval and implementation

113. The UNDP component of the SDA Phase II programme is a $6.3 million project of which $1.3 million will be funded by SPR under the fifth programming cycle.

114. The UNDP project will be executed by OPS. It will be subject to the normal PAC and Action Committee approval process. The activities of the project will be guided by an SDA technical committee consisting of representatives of RBA and BPPE. OPS will subcontract some activities to United Nations specialized agencies and research institutions in developing countries.

115. Proposals on clearly identified SDA activities which meet the criteria specified in paragraph 112 above will be submitted by the developing country institutions and United Nations agencies, and reviewed by the SDA technical committee.

116. The SPR-funded subset of activities identified above will be closely monitored by staff from the Regional Programme (RBA) and the Policy Division, BPPE, as well as UNDP field offices. The latter will report on progress status to headquarters every six months. Furthermore, the SPR-funded component will be subject to both a mid-term evaluation in 1994 and a terminal evaluation in 1996.

117. By focusing the activities of the SPR-funded component project at the regional and interregional level, it will be possible to ensure coordination of activities formulated under this project with other major initiatives such as ACBI and NLTPS, and with the research programme being developed for the fifth cycle. This coordination arrangement will also ensure that the work undertaken under this project is an important input into the development of a more coherent UNDP approach to structural adjustment for the 1990s. Links between this and other UNDP-financed activities in the field of macroeconomic policy and planning will also be strengthened.

### Funding requirements

118. The subset of activities to be financed by SPR is estimated at $1.33 million for the fifth cycle, 1992-1996, distributed as follows: over the fifth cycle - $1.33 million; for the period 1992 to 1993 - $600,000.

Subcategory C7: World Conference on Education for All

Earmarking: $1.33 million

### General description and purpose

119. Industrialized and developing countries alike are facing fundamental problems with the effectiveness of their education systems for the majority of their people. The World Conference on Education for All (WCEFA), held from 5 to 9 March 1990 in Jomtien, Thailand, signalled a broad international consensus to revitalize basic education for children, young people and adults world wide.

120. UNDP joined almost all countries and other development partners (UNESCO, UNICEF, the World Bank and other associated sponsors) in planning and supporting WCEFA as well as endorsing the Jomtien Framework for Action and Declaration on Education for All. General Assembly resolution 45/199 of 21 December 1990 urged speedy implementation of the Jomtien goals, and General Assembly resolution 45/191 of 21 December 1990 has further emphasized basic education as part of integrated human resources development.

121. The Administrator initiated UNDP's follow-up process in two ways. Firstly, he asked resident representatives to work with the returning Jomtien delegations in each country to identify major priorities regarding potential EFA follow-up technical assistance required from UNDP. This has facilitated

consideration of Jomtien issues in the fifth programming cycle. Secondly, he has personally participated in subsequent meetings of the heads of the four agencies sponsoring WCEFA, a body which is in the process of being broadened into the International Consultative Forum (ICF) on Education for All, to include other international agencies, NGOs and country representation in international oversight of progress towards Jomtien goals.

122. Country-level responses to the Jomtien Framework for Action have been extensive. Preliminary organizational and networking efforts, in which UNDP has been directly involved, have included national conferences, seminars and workshops (for example in Brazil, Indonesia, Swaziland and Turkey), as well as formation of EFA task forces and committees to assess needs and prepare specific proposals (e.g., in Jamaica, Lesotho, the Maldives and Sri Lanka). Several countries are coordinating follow-up efforts interministerially and are preparing action plans (e.g., in Guinea, Mozambique and the Philippines). Priority areas in which UNDP support has been requested include basic learning needs of refugees, improving educational opportunities for women and girls, environmental education, literacy (including the increasingly technological requirements of literacy) teacher training, preschool and its implications for primary schooling, educational media and distance learning, wider involvement of NGOs and community participation in the learning process.

123. During the early stages of its Jomtien programme UNDP formally reviewed past approaches to meeting basic learning needs. It was concluded that only limited UNDP resources have been directed to this area, and these have lacked a uniform strategy. Future EFA projects should therefore be guided by UNDP's overall human development approach, in terms of both closer attention to quantitative measurement of social progress and more integrated social strategies.

124. UNDP has already begun systematic networking and activity planning in several inter-agency forums with other EFA sponsors, with the UNDP regional bureaux and with individual Governments under its original WCEFA project as extended through the "bridging" period of 1991. Some activities are already under way (e.g., meeting basic learning needs of refugees, NGO networking, environmental education initiatives, inter-agency monitoring programmes and assessment of Jomtien goals). Fifth-cycle SPR funds for EFA, therefore, will be targeted at a few carefully selected priorities with a high probability of co-financing and/or follow-up funding, and where UNDP can provide the initial stimulus for promising new initiatives in basic education.

125. The purpose of the EFA programme is to promote and support the implementation of the Jomtien Declaration and Framework for Action by coordinated initiatives to strengthen the capacities of Governments to meet the basic learning needs of their people.

## Objectives and strategies

126. The principal objectives of the EFA programme are to assist and support countries within each region to: (a) identify and implement innovative approaches to, and strengthen national capacity for, meeting basic learning needs; and (b) mainstream EFA principles and techniques within a broader human development perspective into country programmes.

127. UNDP will focus SPR funding only on programme areas in which it can bring a useful comparative advantage to the conduct of post-Jomtien activities. Such areas include, for example, addressing complementarity among sectors (health, education, employment) in meeting basic learning needs and promoting effective non-formal basic education methods that draw on NGO involvement and community participation. In light of these broad aspects of EFA programme focus, therefore, the UNDP EFA follow-up strategy has two major components:

(a) Assisting countries to determine EFA requirements. This approach will be targeted at attracting follow-up investments in such priority areas as strengthening grass-roots participatory mechanisms in basic education, improving non-formal environmental education and developing education/technology linkages. These are areas in which initial small seed monies can then be leveraged into additional support from other sources (multilateral, bilateral, IPF or other); and

(b) Mainstreaming EFA principles into country programmes as part of human development strategies.

## General guidelines

128. Activities to be financed in the two general categories, as outlined in paragraph 127 above, will include the following:

(a) New initiatives, including follow-up to the two UNDP EFA round-table conferences in environmental education and impact of technology on basic learning requirements; assisting in project development in meeting basic learning needs of special groups (preschool, women and girls, urban poor, refugees); enhancing NGO involvement in basic learning; strengthening institutional capacity at regional and national levels in EFA programming; and monitoring and assessment of progress towards Jomtien goals; and

(b) Mainstreaming, that is, incorporating EFA principles into country programmes as part of human development strategies to promote basic learning strategies; identifying and setting up EFA focal points at the country level; and supporting networking and information sharing.

129. The needs of countries in all regions will be considered. An equitable distribution among regions will be attempted in selecting EFA projects.

130. There are no limitations on eligibility for UNDP assistance.

131. The IFC and other more technical forums (e.g., EFA task forces and consultative groups) provide continuous opportunities for exchange of information among EFA sponsors and others on new initiatives. Through these and other mechanisms UNDP can optimize use of other United Nations agency ideas and expertise throughout the follow-up process.

132. Because of the "seed money" characteristics of the SPR-supported EFA strategy, complementarity with IPF and other funding sources will be essential. The explicit focus of the strategy on mainstreaming into country programmes will attract and reinforce IPF allocations to EFA.

## Specific criteria for approving the use of SPR funds

133. Criteria for project identification and support include: (a) congruity with the Jomtien Declaration and Framework for Action, as well as with themes identified in Governing Council decision 90/34 of 23 June 1990; (b) focus on areas where there is likely to be important mutuality but not direct overlap with other EFA sponsor-funded programmes (e.g., non-formal education, NGO involvement); and (c) clear evidence of the need for appropriate United Nations system expertise.

## Individual activities: design, approval and implementation

134. UNDP standard procedures for project design and documentation will be followed in the preliminary stages of development of each initiative. The two sets of activities outlined above in paragraph 128 will be separate subprogramme areas within the overall EFA programme. One umbrella SPR programme document for $1.33 million will be prepared for review and approval by the BPPE PAC and the Action Committee. Separate project documents for each of the subprogrammes will then be prepared for submission to, and approval of an EFA advisory group consisting of representatives from regional bureaux and BPPE. The EFA programme will be managed and implemented under the supervision of BPPE/PDSD in close consultation with the regional bureaux and other operational units and executing agencies. Evaluation of the programme will be undertaken by an independent evaluator after two years of the programme cycle.

## Funding requirements

135. The earmarking of $1.33 million will provide the seed money to support EFA follow-up activities and act as a catalyst in seeking other resources. For the first two years of the fifth cycle (1992-1993), an amount of $800,000 has been budgeted. The remaining funds will be allocated to the next three-year period (1994-1996) to support ongoing and new initiatives.

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Subcategory C8: Private sector development

Earmarking: $4 million

## General description and purpose

136. A world-wide trend has emerged towards a more central role for the private sector in development strategies, in which the drive and experience of entrepreneurs will be mobilized more fully in national efforts to achieve self-sustaining growth. General Assembly resolution 45/188 of 21 December 1990 entitled "Entrepreneurship" is both a result of and an impetus to this important trend. UNDP recognizes that private sector development is an integral part of national capacity and has expanded its technical cooperation activities in this field in response to the needs and priorities of member States. The Administrator will present a full report to the thirty-eighth session of the Governing Council in accordance with decision 91/11 of 25 June 1991 entitled "Private sector in development".

137. The purpose of SPR-funded activities in this subcategory is to support the development of national policies and policy instruments to enable the private sector to play an effective role in social and economic development. Such support will explore innovative arrangements to access experience throughout the world, to share information on successes and failures and to mobilize the concerted efforts of the United Nations development system in this arena.

138. In the past UNDP, through its agency partners, has assisted a variety of private sector support initiatives in response to requests of Governments, arising from major changes in their development strategies.

139. Some lessons emerging from private sector-related technical cooperation activities in the past are that: (a) policies supportive of private initiative need special attention, and the analytical capacities for informed decision-making can be sharpened by exchange of experiences on successes and failures; (b) the private sector should be more sensitized to human development, gender issues, environmental concerns and social responsibilities; (c) in small enterprise development, formal or informal, the main efforts have to be in identifying real needs, devising practical solutions and identifying dedicated individuals and sustainable institutions; and (d) the apparent dichotomy between social good and corporate profit must be addressed through regular dialogue.

140. In tackling such problems UNDP has a comparative advantage. It can mobilize the best technical advice for both the Government and private interests, not in the form of subsidizing the private sector but by providing prompt, professional responses to the changing needs of Governments. UNDP's impartial status, integrated approach and world-wide field-office network are additional assets in strengthening the public-private dialogue.

## Objectives and strategies

141. Based on these lessons, on the expressed needs of Governments and on UNDP's comparative advantage, the main objectives of SPR-funded activities for the private sector in development are as follows:

(a) The development of an enabling policy/regulatory environment which is supportive of private sector initiative; and

(b) Improved quality and competitiveness of the private sector, enhanced access by enterprises to capital and technology and increased private sector contribution to human development.

142. Based on government requests and in collaboration with the UNDP regional bureaux, the UNDP Inter-Bureau Task Force on Private Sector and Resident Representatives, the need for UNDP assistance has been broadly identified. It will be further elaborated by continuous feedback from Governments, field offices and United Nations agencies. SPR will initially support activities at the field level concentrated in two strategic areas, namely:

(a) Creating a favourable and predictable environment conducive to private investment and business development. This will be supported by making available to Governments high-level expertise to review and harmonize the matrix of legislation, regulatory procedures, fiscal and trade systems and institutional responsibilities; by providing advice on the development of policies and policy instruments conducive to private investment and the growth of entrepreneurial capacity; and by strengthening the capabilities of public sector institutions dealing with the private sector; and

(b) Developing the needed infrastructures, institutions and skills to improve the efficiency and expand the private sector. This will involve the provision of expert advice on capital market development, including establishment of stock exchanges and capital market mechanisms; investment promotion by providing the know-how and skills required to mobilize national and external resources for investment, including venture capital funds and joint ventures; business development with emphasis on small and medium-size businesses through expertise in setting up business incubators, appropriate training, technology, industrial parks and contracting; privatization measures for economies as a whole and for specific State-owned enterprises, through expert advice to Governments on the establishment of frameworks and strategies for comprehensive privatization programmes; and institutional capacity to backstop and monitor the privatization process. Expert advice and consultancy services will also be provided to improve the management capacity and performance of State-owned enterprises.

143. This two-pronged strategy will be refined through a dialogue with Governments and private bodies on real needs within the framework of country programmes. The move towards increased national execution of technical cooperation projects will call for professional input from the United Nations specialized agencies to complement and enhance national capabilities.

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144. SPR support to private sector development will be designed with full consideration of the complementary use of country, regional, interregional and global UNDP funding, as well as other donor sources. By contributing to the elaboration of country programmes and the design of projects, SPR will have a catalytic impact on the nature of IPF-supported activities and on the inputs required from other United Nations system partners in their execution of projects.

## General guidelines

145. The following guidelines will be observed:

(a) Project quality and impact. The technical cooperation provided will be innovative and prompt. Attention will be given to the sustainability of results in the new competitive environment;

(b) Type of activities to be financed. In order to implement the approaches outlined in paragraph 142, SPR will support the following types of activities:

(i) The development of innovative mechanisms for creating a favourable policy environment and for developing the needed skills, through expert advice, pilot and demonstration projects, feasibility exercises, networking, training workshops, information sharing and related activities;

(ii) The use of proven concepts, adapting them to country conditions, including pilot projects for further expansion, through IPF and other donor funding on a country, regional and intercountry basis, and the dissemination of information of proven modules;

(iii) Support for the identification and formulation of a coherent set of measures for the expansion of private sector-related activities in the country programme of interested Governments;

(iv) Development of a comprehensive roster of consultants and advisers in necessary fields of specialization, and strengthened linkages with other concerned organizations within and outside the United Nations system;

(c) Eligibility. All countries will be eligible, with priority given to requests from countries needing urgent assistance, to implement policies supporting economic liberalization, competitive markets and entrepreneurship promotion;

(d) Limitations. SPR assistance will not be provided to individual private enterprises, but through such intermediaries as professional associations and chambers of commerce or through government institutions dealing with the private sector;

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(e) Use of United Nations system expertise. Discussions have been initiated with concerned United Nations agencies and organizations on the collaborative efforts and modalities to provide coordinated and effective cooperation needed for this major effort, in particular with UNIDO, ILO, ITC, UNCTC, DIESA, the World Bank and IFC;

(f) Complementary use of country, regional and global IPFs. SPR will be used to catalyse, innovate, develop and disseminate the required know-how and modalities, with country, regional and global IPF resources utilized to complement and follow up these efforts as required.

## Specific criteria for approving the use of SPR funds

146. When chosing projects, the following will be addressed: (a) creating endogenous capacity for policy-making and enterprise management; (b) developing innovative approaches, including institutional arrangements, and replicating them elsewhere once they prove successful; (c) ensuring that private entities and intermediaries sustain the activity once the external impetus ceases; (d) proposing innovative proposals for the delivery of high-level expertise in a prompt, effective manner to match the urgent needs of Governments working to mobilize private sector capacity in their development efforts.

147. As noted, SPR-supported technical cooperation for private sector development will be provided to a group of enterprises in a priority subsector, possibly through an intermediary such as a trade association or chamber of commerce. Under special circumstances, a concept may be developed or new techniques demonstrated at a selected enterprise, ensuring that other enterprises in the sector participate fully and benefit from the sharing of experience. In all cases, government endorsement of the proposed technical cooperation activity will be secured. In the case of SPR support related to the reform of State-owned enterprises and the creation of enabling environments for the growth of the private sector, assistance will be provided directly to Governments.

## Individual activities: design, approval and implementation

148. Identification and formulation of SPR projects will be undertaken at field and headquarters levels. Appraisal will follow standard UNDP practices involving collaboration between the appropriate regional bureau and the Division for the Private Sector in Development. Projects will be approved by the Action Committee. The programme will be monitored and guided by the Division for the Private Sector in Development, and activities will be implemented by Governments or appropriate executing agencies.

149. Effective use will also be made of the two expert volunteer services, UNISTAR and TOKTEN, in the implementation of SPR-supported activities. Monitoring and evaluation of the programme will be undertaken in accordance

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with normal UNDP procedures. An evaluation of this programme will be carried out within the first three years of the fifth cycle.

## Funding requirements

150. The earmarking of $4 million from SPR will be used mainly as a catalyst and it is expected to be matched by other UNDP sources, including country IPF resources. A trust fund has also been set up to mobilize additional resources from interested Governments and funding organizations.

151. Based on the above, it is planned to utilize SPR as follows: $3 million in 1992-1993 and $1 million in 1994-1995.

Subcategory C9: Non-governmental organizations

Earmarking: $1.33 million

## General description and purpose

152. Since January 1987, UNDP has promoted and supported increased cooperation with NGOs and grass-roots organizations. Its initial efforts were directed largely at: (a) familiarizing UNDP operating units, including field offices, with NGOs and NGO activities that were relevant to the work of UNDP and with the potential mutual benefits of closer ties; (b) promoting specific collaborative action; and (c) furthering contacts and communication between Governments and NGOs. Increasing emphasis has been given to the role played by NGOs and grass-roots organizations in furthering community-based participatory development, especially self-help initiatives to eradicate poverty and improve the environment.

153. SPR utilized to date to promote community-based poverty alleviation and ecologically sustainable development have included: (a) $4 million for the Partners in Development Programme, now offered in more than 60 countries, which allows UNDP resident representatives to make local currency grants in direct support of development activities by indigenous NGOs and grass-roots groups; and (b) approximately $250,000 for several projects to promote and support NGO contributions to preparations for UNCED. This includes a project to support contributions at the national level and preparation for the UNCED secretariat of a working paper on poverty, environment and development. Other relevant activities in which UNDP is involved, but which are not funded from SPR, include two other NGO grant programmes: the Africa 2000 Network and the Asia-Pacific 2000 Initiative. UNDP also supports RAF/87/001, a regional project to further cooperation among UNDP, Governments and NGOs in Africa.

154. At its special session in February 1991, the Governing Council assigned $4 million from SPR for three special and/or new activities: WCEFA, social dimensions of adjustment and NGOs. It is proposed that $1.33 million of this be allocated for innovative activities to support the organizational development of selected indigenous NGOs and NGO associations and networks.

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155. The Partners in Development Programme would be provided for under subcategory B1, "Poverty eradication and grass-roots participation in development". It is also expected that various new NGO-related activities designed to preserve the environment and promote sustainable development will be funded under the environment and natural resources management subcategory.

## Objectives and strategies

156. NGOs and grass-roots groups have a vital role to play in virtually all of the thematic areas established by the Governing Council for the fifth programming cycle:

(a) Community-based groups and the NGOs that support them are essential agents for mobilizing and assisting participatory self-help local initiatives to eradicate poverty and achieve sustainable livelihoods;

(b) Grass-roots groups and NGOs are responsible for many of the most effective projects and strategies aimed at preserving the environment and managing natural resources in both rural and urban areas;

(c) NGOs and community-based groups are among the most effective and articulate proponents of the roles played by women in development; they also mount or support numerous activities, including women's income-generating activities that benefit not only the participating women but also their families and communities;

(d) Many NGOs and grass-roots groups contribute in such areas as TCDC and the transfer and adaptation of technology for development, especially in the development and exchange of information on appropriate technology;

(e) NGOs also play a role in management development inasmuch as there are public sector/NGO complementarities, especially in the social sectors.

157. There is growing recognition on the part of Governments and UNDP field offices and operating units that many NGOs can provide useful services to the planning, implementation and evaluation of IPF-funded projects in these and other areas.

158. As the value of NGOs' contributions becomes increasingly recognized, there is growing concern that many developing-country NGOs are fragile entities. This is especially true of national and local (indigenous) groups, which hold the most promise for development over the long term. There is a variety of reasons for this. Many are new or of recent creation, inadequately staffed or understaffed, overburdened with demands on their scarce human and financial resources, and/or project- or donor-driven. They urgently need assistance in building their management and programme capacities so that they may respond effectively to needs and provide the support and leadership in key areas that communities require.

159. Various projects have been undertaken, principally with participation by international NGOs of the North, to train NGO personnel of the South in such areas as formulating project proposals for external funding, accounting and evaluation. But too little has been done to date to help indigenous groups to develop their capacities for service to their constituencies, to Governments or to aid agencies over the longer term. Activities that will permit key developing-country NGOs to examine their goals, set priorities, develop strategies for achieving their objectives, determine how to operate effectively in their national (and international) contexts and assure their sustainability through effective fund-raising are urgently required. This is particularly true of activities which will enable developing-country NGOs to exchange experiences among themselves and within and between regions. Increased support of this nature from bilateral and multilateral institutions will, therefore, be of crucial importance in the years to come.

160. To meet this need, it is proposed that SPR funds earmarked for NGO activities in the fifth cycle be used to help build the capacities of strategically placed indigenous NGOs, especially in the area of management and organizational development.

## General guidelines

161. UNDP experience to date with RAF/87/001, which includes a small NGO capacity-building component, the Partners in Development Programme, which has supported certain activities to strengthen NGOs, and the Africa 2000 Network, which gives priority to strengthening grass-roots groups, has shown that certain types of innovative activities can effectively contribute to NGOs' organizational development and management. Additional efforts by UNDP will not only increase developing-country NGO capacity-building prospects, but will also strengthen NGOs' ability to participate constructively in the development dialogue. Project impact will be measured in cooperation with beneficiary NGOs and special attention will be paid to using and, where required, developing participatory monitoring and evaluation methodologies.

162. The main types of activities funded under the proposed programme include:

(a) Regional and national workshops for leaders of selected NGOs that would (i) provide training in strategic planning, including development of an "organizational vision", programme priorities and strategies for achieving organizational goals and financial sustainability; and (ii) lay the groundwork for communications and networking among key NGOs in the same field, at regional and national levels;

(b) Support for (i) the development of special courses or curricula on NGO strategic planning and management at established regional training institutions; and/or (ii) special training programmes sponsored by larger NGOs with training capabilities;

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(c) Local training activities for community-based grass-roots groups (through a national NGO or other local resource) in areas essential to their mission, including participatory planning, implementation, and evaluation, budgeting and financial management;

(d) Exchanges of information, including case studies, on (i) innovative approaches to NGO management and financing; and (ii) resources available for organizational development, including international NGOs operating in developing countries, NGO networks, research and training institutes, etc.;

(e) Exchanges of information relevant to the international and national contexts in which NGOs operate, as an aid to strategic planning.

163. Four out of five of the above types of activity involve training for the leadership of developing-country NGOs and community-based organizations to enhance their capacity to carry out participatory programmes. In this respect, due account should be taken of the differences among NGOs within and between regions, in regard to structure, constituencies, resources, fields and types of activity and levels of technical expertise.

164. The last two types of activity involve networking among developing-country NGOs as well as between them and other institutions in both developing and developed countries. Building on the experience already gained through such projects as RAF/87/001, UNDP's project to strengthen NGO-government-UNDP cooperation in Africa, and the Partners in Development Programme which has enabled resident representatives to use their country allocations to respond to local NGO networking initiatives, future UNDP support for networking could be directed towards:

(a) Subregional and regional networks, especially those working on particular issues or in the same field or sector;

(b) Joint activities by networks in different sectors collaborating at national, subregional or regional levels;

(c) North-South NGO coalitions working on such North-South issues as poverty, environment and development; and

(d) Other institutions, such as the United Nations Non-Governmental Liaison Service, which support North-South NGO networking through information gathering and dissemination, policy dialogues with official institutions and database work on NGO activities.

165. To carry out these activities, UNDP will utilize as resources the experience and expertise of such NGO consortia as the NGO Management Network, International Council of Voluntary Agencies (ICVA), Private Agencies Collaborating Together (PACT), Asian NGO Coalition (ANGOC), Innovations and Networks for Development (IRED), etc., and make collaborative arrangements with the UNV DDS, and/or with local or regional training institutions.

166. All countries should be eligible for support. However, because SPR for this initiative would be limited, they should be concentrated on small-scale, innovative, low-cost activities which are capable of replication and/or on collaborative arrangements for the purpose of cost-sharing.

167. There are no limitations on eligibility for UNDP assistance.

168. UNDP will draw from the experience and expertise of those agencies and programmes of the United Nations system which, like ILO, FAO (Freedom From Hunger Campaign) and UNRISD, have engaged in capacity-building activities such as those outlined in paragraph 162. The possibility of joint programming should be explored.

169. Given the nature of these activities and the limited amount of resources available for them, particular attention will be paid to developing partnerships with other institutions which could supplement UNDP efforts. In addition, with a view to bringing capacity-building of developing country NGOs gradually into mainstream development work, these SPR funds will be used to encourage long-term support, including through IPFs. Although focused particularly on the national level, this initiative should also lead to regional and global efforts.

## Specific criteria for approving the use of SPR funds

170. Selection of indigenous NGOs will be done in consultation with operating units and field offices. Criteria for their selection will include: (a) the NGO's actual or potential ability to contribute in a priority thematic area; (b) the nature of its relationships with the Government and/or developed-country NGOs and multilateral and bilateral development assistance agencies; (c) the level of development of the NGO or grass-roots group; (d) its track record, quality of leadership and potential for improvement; and (e) its capacity to interact with sister organizations and groups in its sector, country or region.

171. The Programme Support and Development Division (BPPE), designated as the focal point for NGO activities, will serve as coordinator of the programme, working closely with the regional bureaux and other units concerned, to prepare an umbrella programme document covering the components described above. A PAC comprising regional bureaux and BPPE representatives will vet these programme documents before their submission for approval to the Action Committee. Individual activities meeting the criteria will be submitted for approval within the programme document.

172. Activities will be monitored and evaluated carefully, and the lessons learned will be widely shared with all relevant UNDP units and offices, Governments, bilateral agencies, relevant United Nations system and other aid agencies, international NGOs and others in a position to benefit from and/or replicate successful strategies. Evaluation methodologies could include field

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visits by consultants, field office and file surveys, participatory evaluations by beneficiary NGOs and evaluation workshops.

## Funding requirements

173. Of the estimated $1.33 million potentially available for this programme, approximately $750,000 would be required in the first two years, with the balance of approximately $580,000 to be spread over the last three years.

## CATEGORY D: AID COORDINATION

### Subcategory D1: Round-table meetings and support to consultative group meetings

Earmarking: $12.5 million

### General description and purpose

1. While coordination of external aid is the responsibility of the recipient Government, UNDP, as a multilateral and neutral financing agency, has a particular responsibility for promoting and facilitating coordination. UNDP strategy in this area, as recommended by the 1991 evaluation on aid coordination in LDCs, is to assist and strengthen the recipient Government's capacity to achieve effective coordination on the basis of national policies and dialogue with the donor community. The most substantial part of UNDP's role lies in facilitating the round-table process.

2. Round-table conferences constitute the principal means of dialogue for LDCs, between the recipient Government and the donor community on policy matters and for resource mobilization. This principle was reaffirmed by the Second United Nations Conference on the Least Developed Countries held in September 1990. Currently, 31 countries have opted for round-table arrangements for dialogue with the donor community, including 17 in Africa, 13 in Asia and the Pacific, and 1 among the Arab States. During the fourth programming cycle, 18 round-table conferences were held as well as 42 sectoral consultations.

3. To ensure that round-table conferences fulfil their mandate, a coherent approach is being promoted by UNDP, involving the following elements:

(a) A cycle consisting of a review of overall national policies, followed, if required, by a review of sectoral policies and programmes in the country and a periodic review to monitor progress on round-table commitments and follow-up action; and

(b) An implementation approach emphasizing building capacity of the recipient country in managing the process, particularly in conducting policy dialogue throughout the process of preparation, conduct and follow-up to the round-table meetings.

4. Evaluations have played an important role in defining methodological approaches to the round-table process. As a result of review and evaluation of past experience, in 1986 the round-table methodology was revamped and a new methodology more clearly focused on policy dialogue was introduced. The fourth cycle round-table meetings have been based on this approach. The methodology was further improved on the basis of the 1991 evaluation of aid coordination in LDCs, the recommendations of which have been incorporated into new guidelines for round-table meetings prepared in 1991.

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5. In countries which have opted for Consultative Group meetings as the principal forum of policy dialogue with donors, UNDP responsibilities lie with the technical cooperation element of external aid. At the request of the Development Assistance Committee (DAC) of OECD, the issue of technical cooperation is being explicitly included in discussions at the round-table and Consultative Group meetings, and UNDP was requested to take a lead in facilitating preparation of issues for discussion.

## Objectives and strategies

6. Organization of round-table meetings and sectoral consultations involve:

(a) Preparation of government policy and programme documents, some of which have been prepared under other processes such as the policy framework paper agreed upon by the Bretton Woods Institutions. Much of the preparatory work will be done by government personnel; additional assistance from UNDP will be required in most instances to finance international and national expertise, to complete the documentation and to cover material costs of printing documents. Quality of the documentation is an important condition for the success of round-table meetings;

(b) Diffusion and sensitization, prior to the conference, of the national development policies and strategies contained in the documentation within the country and with principal donors. In the case of the main round-table meeting, this will require travel to some donor capitals;

(c) Logistical costs of the conference itself.

7. UNDP will not bear all the costs connected with sectoral meetings; a lead agency will be designated among the donor community to provide both technical support and some financial assistance.

8. For contribution to Consultative Group meetings, if the NaTCAP process is under way and advanced, the Government will be in a position to present its policy framework on technical cooperation, and/or the technical cooperation programme. In other situations, or if particular issues need to be discussed, special papers will be prepared. UNDP support and financing of consultations will be required for this purpose.

9. A number of non-country-specific programme development and support activities will need to be undertaken, such as evaluations, methodology development and seminars.

10. The role of the United Nations system agencies in this context is most relevant in sectoral consultations, since the main round-table conference focuses on macroeconomic rather than sectoral issues. The role of agencies will be twofold; first, as a specialized agency to provide its own views on issues presented; and second, as a technical agency to provide advisory support for sector analyses. This corresponds to similar activities foreseen under TSS-1 within the new support cost arrangements.

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11. Since the round-table processes bring together all important policy analyses and development strategies of participating countries, there is complementarity with virtually all activities financed by UNDP and the rest of the donor community in areas of policy formulation, planning and programming. In many cases, United Nations system-assisted planning and aid coordination activities, as well as sectoral planning activities, will contribute directly to the round-table process. NaTCAPs contribute directly to Consultative Group meetings.

## Individual activities: design, approval and implementation

12. Procedures for design, approval and implementation of round-table processes will follow normal UNDP practices. Umbrella projects will be developed and approved through the regional bureaux PACs and the Action Committee. Specific country processes will be defined by the Government and field office, including work programmes, budgets and government institutional arrangements. These will be approved by the PACs of the regional bureaux.

13. There are no limitations on eligibility for UNDP assistance.

14. Round-table meetings and UNDP contributions to Consultative Group meetings will be evaluated as overall programmes rather than on a country-by-country basis.

15. With the emphasis on "internalization" in the implementation of the round-table cycle, particular effort will be made to ensure that as much of the work as possible is done by the Government throughout the various stages. External consultants will need to play an important role in an advisory capacity.

16. Backstopping will also be provided by the UNDP resident representative, assisted by the economic unit (where they exist) and the regional bureaux (supplemented by the LDC support and coordination unit at headquarters). The programme will be evaluated during the first three years of the cycle, in accordance with the procedures outlined in paragraph 12 of document DP/1991/64 (Special Programme Resources: Overview and programming documents).

## Funding requirements

17. Financing requirements over the fifth programming cycle are estimated to total about $12.5 million. These would cover support to round-table cycles in all 31 countries which have opted for this arrangement. A round-table cycle is estimated to cost about $500,000 on average. During the course of the fifth cycle, it is anticipated that additional countries may opt for round-table meetings. Financing requirements for the UNDP contribution to Consultative Group meetings are estimated to require about $10,000 per meeting, or about $600,000 over the fifth cycle. An additional $200,000 will be required for programme development.

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## Subcategory D2: National technical cooperation assessments and programmes

Earmarking: $12.5 million

### General description and purpose

18. The purpose of national technical cooperation assessments and programmes (NaTCAPs) is to strengthen the capacity of the recipient Government to manage and programme technical cooperation from all sources, in line with national development priorities. The use of NaTCAPs is the only systematic initiative in this area, responding to the growing concern of both the donor community and recipient Governments to improve the effectiveness of technical cooperation. The concerns focus on the donor-driven nature of technical cooperation programmes, the lack of coordination, and the need to improve project and programme design to ensure effective and sustained impact on building human and institutional capacities.

19. During the fourth programming cycle, NaTCAPs evolved significantly from an experiment in a few countries to a predominant methodology for management of technical cooperation adopted by most countries in Africa. They are also beginning to be adopted by select countries outside that region. NaTCAPs started in 10 countries as a pilot activity from 1968 to 1988. A full methodology was defined in 1989, and since then 24 more countries have initiated the process, including three countries in the Latin America and Caribbean region.

20. An important achievement of this phase was the adoption of a methodology for the management of technical cooperation revolving around three major outputs, namely: (a) a database on technical cooperation programmes under way; (b) a national policy framework paper on technical cooperation; and (c) a permanent, rolling system of programming technical cooperation as a supplement to the public sector investment programme. The NaTCAP exercise proceeds by phase, starting under phase I with the preparation of (a) and (b) above, and then continuing into phase II with the preparation of the TCP. The methodology emphasizes government ownership, with most of the activities implemented by Government officials and national consultants, and with attention paid to ensuring wide participation of the relevant departments as well as consultations with donors. Thus, the NaTCAP process is a permanent one with permanent mechanisms for technical cooperation managed by the recipient Government.

21. Evaluations have played and continue to play a strategic role in the development of NaTCAPs. Both the 1988 internal review and the full evaluation completed in early 1991, as well as the 1991 evaluation of UNDP support to aid coordination in LDCs, have strongly reaffirmed the strategic importance of NaTCAPs for UNDP in fulfilling its global responsibilities in the area of technical cooperation and capacity-building. They have emphasized that NaTCAPs constitute "mainstream" activities for UNDP as a mechanism both for improving the use of all technical cooperation resources by the Government at

the country level, and for ensuring more effective use of UNDP-financed programmes. On this basis, NaTCAPs are being pursued and further developed.

22. The two evaluations have provided guiding principles for the NaTCAP methodology. The 1988 evaluation brought home the need for a more systematic approach. It recommended emphasizing integration of technical cooperation in the national planning and programming procedures as well as "internalization" or management of the NaTCAP process by the Government. The 1991 evaluation pointed out the need for further refining the methodology with a sharper focus on human and institutional development objectives of technical cooperation and more in-depth consultations with donors. Thus in 1989, a basic methodology was developed, focusing on the three outputs described above, which are key government instruments for planning and programming technical cooperation. Currently the work consists of elaborating guidelines on the methodology for the preparation of technical cooperation programmes, focusing clearly on human and institutional development objectives.

## General guidelines

23. During the fifth programming cycle, SPR will be required to implement NaTCAPs for the following purposes: (a) to complete phase II in 16 countries where the process has been started; and (b) to implement the first cycle in those countries that request UNDP support for NaTCAPs, estimated to total about 20. (Demand has been strong among African countries and is beginning to be expressed by countries in other regions.) Implementation of national NaTCAPs will be undertaken by a government structure defined at the outset of the exercise. Activities include data collection and processing, analytical studies on technical cooperation policy issues, seminars and workshops, preparation of a technical cooperation policy paper, analysis of human and institutional development objectives and strategies, review of requests for technical cooperation projects, and finalization of national technical cooperation programmes. Governments will use their own resources as much as possible. Additional financing will be required for: (a) national consultants to assist in the preparation of analytical studies and data collection; (b) advice from international consultants on the overall strategy of the NaTCAP process and on methodological approaches; (c) seminars and workshops; and (d) such equipment as vehicles and computers.

24. The country's activities will need to be supported by activities at the regional level, including training and seminars for government officials, preparation of methodological guidelines, development of such tools as software, evaluation of the programme, diffusion of experience and information to promote networking, seminars and other contacts with the donor community.

25. UNDP plays an important role in assisting the national coordinator in monitoring the process. The role of the United Nations specialized agency is essentially technical rather than managerial or executive. The United Nations agencies, as well as donors, are called upon to participate in discussions on priorities for and effectiveness of technical cooperation. They have been,

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and will be, called upon to help with sectoral assessments in select situations. Important collaborative training activities with ILO and the World Bank undertaken in the fourth cycle will continue into the fifth cycle.

26. NaTCAPs provide a national framework within which support from UNDP and the United Nations system can be defined. A pilot programme is under way to study the integration of the NaTCAP and country programme processes.

## Individual activities: design, approval and implementation

27. Procedures for approval of financing will follow normal UNDP procedures. Particular features include the following:

(a) An umbrella project covering the needs of countries in each region will be developed and approved through the regional bureaux PACs and the Action Committee. Under this umbrella, specific country documents will be developed by the Government and the field office concerned, detailing the work programme and the government institutional arrangements. These will be approved by the bureaux PACs;

(b) While most country-level NaTCAPs have been executed by OPS, increasing use will be made of government execution during the fifth cycle. A government institutional framework for implementation at the country level will be defined at the outset;

(c) Technical backstopping will be provided by international consultants with specialized knowledge and experience in technical cooperation management. This might include exchanges of experience from one country to another;

(d) Management and monitoring of NaTCAPs within UNDP will be provided at the field level by resident representatives assisted by economic units, where they exist. At headquarters, backstopping by the geographic divisions of the regional bureaux will be supplemented by technical support of the LDC Support and Coordination Unit. OPS will provide the services of an executing agency where the projects are not government-executed;

(e) Evaluations will continue to be an important element for programme management. A full-scale evaluation will be organized within the first three years of the fifth cycle.

## Funding requirements

28. The typical cost of a NaTCAP exercise per country is about $400,000, split in two phases covering 4 to 6 years. This covers national consultants (35 per cent), international consultants (35 per cent), seminars (10 per cent), materials and equipment (10 per cent) and study tours (10 per cent). These requirements total about $11.2 million.

29. The financing requirements for general programme support and development, including training, methodology development and tool development, are estimated at $1.3 million.

Subcategory D3: Others, e.g., needs assessments, country programme reviews

Earmarking: $5 million

## General description and purpose

30. Needs assessments. It is anticipated that greater use will be made during the fifth cycle of such mechanisms as round tables and Consultative Group meetings (including related sectoral meetings), NaTCAPs and similar exercises designed to define government goals and priorities as well as to determine the need for, and capacity to absorb, external cooperation. Aid coordination is recognized as being most effective if it flows from the programming process itself, based on national plans and priorities, rather than as an *ex post facto* attempt to ensure complementarities and to avoid duplication. These mechanisms are addressed specifically under subcategory D1. They are aimed at aid coordination at the macro level, without reference to a particular donor or sector.

31. In some countries or sectors, however, a full-fledged NaTCAP may be neither possible, because the minimal national capacity does not exist, nor necessary, because the likely level of external intervention does not warrant the comprehensive assessment implicit in a NaTCAP exercise. In such cases a less ambitious needs assessment may be undertaken.

32. There are two principal characteristics which distinguish a needs assessment from a NaTCAP. Firstly, a needs assessment does not normally aim to develop in-country capacity to carry forward and update the assessment. A NaTCAP, on the contrary, has internalization of the assessment process as one of its main objectives.

33. Secondly, a needs assessment is normally confined to a specific sector or theme: it does not attempt a comprehensive survey of technical cooperation needs. Although in very special circumstances NaTCAPs may be limited to a single sector, they usually involve a review of needs for technical cooperation across the board.

34. In circumstances where NaTCAPs are not appropriate for the reasons outlined above, there may none the less be a requirement for national and integrated assessment of technical cooperation needs before approaching one or several donors. The assessment should enable the prioritization of needs by the national authorities and provide guidance for aid mobilization and coordination between donors.

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35. Needs assessments, being less formal and less comprehensive exercises, require fewer human and financial resources than NaTCAPs and are of shorter duration. They may require one or two consultants for a few weeks rather than the teams of local and outside consultants which may be engaged for several months to carry out a NaTCAP. While national involvement in and commitment to a needs assessment is indispensable, the establishment of a permanent mechanism and staff is not part of the exercise.

36. Country programme reviews. Country programmes are subject to regular review. Current instructions require an annual review with a more in-depth review at the halfway point of the country-programme period. These reviews, more particularly the mid-term reviews (MTRs), examine the implementation performance and question the continuing validity of the programme and its primary objectives as approved. They are normally undertaken by the UNDP field office, supplemented by consultancy if necessary. One important feature of the country programme review is the examination of coordination with external cooperation provided by other donors. MTRs have been shown to provide excellent indications of the areas to be continued or new areas to be taken up in subsequent country programmes.

37. Preparation for MTRs has been greater during the fourth cycle than in the past, and the exercises themselves have become more analytical. Reports on the progress of the MTR process as well as selected reports on actual country MTRs were submitted to the Governing Council. The Governing Council has reiterated the importance it attaches to the review process.

## Objectives and strategies

38. Needs assessments. In the case of needs assessments, the specific objective is to identify the technical cooperation needs of a country to help it attain its development objectives, bearing in mind the Governing Council's particular focus on building national capacity in the six focus areas. This may be an across-the-board assessment, although Governments should be persuaded if possible in those cases to embark on a full-fledged NaTCAP. More usually, needs assessments are confined to a particular sector or theme. It is essential that needs assessments relate to development goals and plans that are realistic and that take into account the implementation capacity of the Government. Such assessments should as far as possible follow a programme approach with requirements clearly linked to a priority programme framework. Where a well-formulated programme framework exists, needs assessment should be considerably simplified. The programme approach to formulation should in itself provide a basis for coordination of the donors' responses to the identified needs.

39. Country programme reviews. In conformity with standing instructions, and supported by the Governing Council's reaffirmation of the usefulness of the process, MTRs will be held for all UNDP programmes. The objective will continue to be to examine the validity of the country programme in terms of national goals and priorities and in terms of the use of UNDP resources. In

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addition, for the new cycle, special attention will need to be given to the way in which the Governing Council's concerns, expressed in decision 90/34 of 23 June 1990, paragraphs 6-8, have been addressed. MTRs will also examine progress in the implementation of the programmes, including aspects relating to such modalities as government execution.

40. Each MTR will be planned carefully so that at the time of the review meeting, all parties will have common and comprehensive documentation. Particular attention will be paid to the coordination of UNDP cooperation with that of other donors and the role, if any, that UNDP plays in ensuring effective coordination.

## General guidelines and specific criteria for approving the use of SPR funds

41. Needs assessments will be considered only for non-round-table countries, which may have sectoral assessments within that mechanism. Similarly, needs assessments will not normally be considered for all sectors but will be confined to a given sector or theme. Where a total needs assessment is requested, it should preferably be covered by a NaTCAP. However, if a country does not wish to undertake a NaTCAP, this subcategory may be used exceptionally to fund a larger, multisectoral needs assessment. The assessment should state how priorities have been determined and how needs relate to articulated programmes. The assessment must also contain a section describing the in-country mechanism for aid coordination, together with an assessment of its effectiveness.

42. Country programme reviews may benefit from support under this subcategory in those cases where field office capacity is insufficient or lacks specific competence to undertake such reviews. Normally requests will be entertained only in connection with MTRs. However, other reviews will be considered if the need is fully justified, including the need for external inputs. Reviews should be forward-looking, mainly designed to (re)orient future activities, rather than only to evaluate. They must cover the coordination of UNDP cooperation with that of other donors. No more than one review will be supported per country from this funding source during the fifth cycle.

## Individual activities: design, approval and implementation

43. Proposals for funding under this subcategory will have to take into account the guidelines and criteria mentioned above. Project documents will be prepared by the regional bureau concerned and reviewed by the bureau PAC with the participation of BPPE (Policy Division) as the subcategory manager. Initially, proposals will be approved on a "first come, first served" basis. However, over the five-year period, an approximate balance will be maintained between the regions/programmes, with not more than 50 per cent of the resources allocated to any one region.

44. Projects approved under this subcategory may be implemented under national execution or by OPS or, in the case of sectoral reviews, projects may be implemented by such specialized agencies as UN/DTCD.

45. In each case, a copy of the output, usually a report, of the approved SPR project must be submitted to the Policy Division (as subcategory manager) together with a brief (one-page) outline of the implementation of the project, giving details of the consultancy or other inputs funded and an overall judgement on the quality of the exercise.

46. Monitoring of the activities undertaken under this subcategory will be carried out by the regional bureau concerned. The reports prepared at the end of missions by consultants will be shared with the subcategory manager, i.e, Policy Division, BPPE. An evaluation of the subcategory will be carried out within the first three years of the fifth cycle.

## Funding requirements

47. Needs assessments. Assuming an average cost of $35,000 per mission and a demand for 60 such missions, provision should be made for $2,100,000 for this purpose over the five-year period. Demand is expected to be heavier during the initial part of the cycle.

48. Country programme reviews. It is estimated that assistance will be requested to conduct 100 MTRs, i.e., for about 60 per cent of all programmes. At an average cost of $25,000 per mission, the total funding required for the fifth cycle is $2,500,000.

49. The balance of $400,000 may be held in reserve initially to meet unforeseen needs for other missions or exercises under this subcategory.

50. The total funding required for this subcategory is $5,000,000 over the five-year period. Funding for the first two years will be approximately $2,000,000, with greater use for needs assessments and similar exercises in the earlier stage of country programming. In the latter half of the period, MTRs will claim the majority of funds available.

## Subcategory D4: Country programming initiatives

Earmarking: $5 million

## General description and purpose

51. This is a new subcategory, the purpose of which is to fund initiatives designed to make UNDP country programmes more responsive to the priority needs of countries, as well as to make such programmes more effective.

52. The main objective which country programmes are expected to address, in line with Governing Council decision 90/34 of 23 June 1990, is the building and strengthening of national capacity, with priority accorded to the six areas of focus given in the same decision. The use of SPR to promote the six areas of focus is covered under category B. Subcategory D.4 should therefore concentrate on innovative programming initiatives designed to build and strengthen national capacity. In so doing, particular attention must be paid to the full integration of external cooperation into the process as well as to the effective coordination of diverse aid inputs.

53. There is broad agreement that development efforts can be successful only if rooted in the priorities of and based on the commitment of the national authorities concerned. In this way national capacity is built and sustained. Effective technical cooperation must in turn be based on national priority goals and objectives. It should derive from a programme approach to development, which provides an effective framework for the programmes.

54. The term "programme approach" has resurfaced and has been used frequently in development circles in recent years, including various United Nations bodies, the DAC and bilateral publications. Many initiatives are under way to develop an approach to maximize the effectiveness of development efforts and in particular of external assistance. UNDP considers the programme approach as the pursuit of national development goals through the formulation and implementation of a series of sectoral or thematic national programmes. These programmes should provide the framework for the rational planning of internal and external resources. UNDP is in the process of supporting a programme approach in the formulation of the fifth programming cycle. Although there is no standard way of applying and designing technical cooperation in conformity with a programme approach, it is clear that this will involve both modifications of existing mechanisms and procedures and the elaboration of new ones.

55. One major task of the country programming initiatives will be to test alternative ways of making UNDP programming more focused on nationally defined priorities and more fully integrated with national and other external efforts aimed at human development. It will seek to develop operational guidelines which are sufficiently clear to provide instructions on programming, but sufficiently flexible to respond to national circumstances.

## Objectives and strategies

56. It would not be reasonable to use country IPFs to fund new methodologies and procedures. It is proposed, therefore, to use the earmarked funds for this subcategory to fund pilot or trial efforts at the country level aimed at advancing more effective programming of UNDP resources. Such efforts would relate directly to the formulation of programmes proposed by Governments in approved country programme documents. If successful, they will improve the quality and effectiveness of UNDP technical cooperation.

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57. In keeping with the current philosophy of technical cooperation and the spirit of the programme approach, programming initiatives will as far as possible take place under the leadership of national authorities.

58. The activities formulated under this subcategory will permit UNDP to respond systematically to national development goals within a programme approach in all countries, within the context of the priority areas identified by the Governing Council in June 1990 and of other important themes of global concern. In addition, such exercises will serve an important training function at the country level, both for national and UNDP staff.

## General guidelines

59. Each proposal for funding from this subcategory will contribute to the development of country programming in the following ways. It will:

(a) Enhance the mechanism employed to formulate, deliver, monitor and sustain technical cooperation in conformity with the programme approach; and

(b) Better target, integrate and coordinate technical cooperation to the new challenges of decision 90/34, i.e., the strengthening of national capacity for the promotion of human development. According to national priorities, this may involve the application of an integrated approach to human development to country programmes; support for the integration of women in development issues fully into all aspects of country programmes; support for the elaboration of a strategy for participatory development involving non-government segments of society (e.g., the private sector, academic institutions, NGOs) and the integration of this strategy into country programmes; and support for the development of social adjustment strategies to accompany structural adjustment, including the social policy dimensions of the transition to market-oriented economies.

60. All countries will be eligible for funding under this subcategory. However, normally only one programming initiative per country will be considered for approval. A second request will be entertained only under exceptional circumstances, or after all countries which so wish have benefited from funding under this subcategory.

61. United Nations system expertise will be tapped whenever available and when competitive both in quality and cost.

## Specific criteria for approving the use of SPR funds

62. The request for funding must demonstrate clearly how the proposed initiative will enhance the programming of UNDP resources at the country level. Specifically it must show how the initiative will result in the more integrated use of UNDP (and potentially other) resources to support priority national programmes designed to tackle challenges and obstacles to human development.

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63. The request must also indicate how the proposed initiative will build or strengthen national capacity for the planning, programming and resource coordination of development efforts.

## Individual activities: design, approval and implementation

64. The subcategory manager will be the Policy Division of BPPE. Proposals for funding under this subcategory will be elaborated by the regional bureau in full consultation with BPPE and reviewed by the bureau PAC, bearing in mind the guidelines and criteria given above. Formal approval will be given by the Action Committee.

65. United Nations system expertise will be used whenever available and appropriate at both the formulation and implementation stages.

66. The implementation of activities under this subcategory will be monitored by the regional bureaux according to existing UNDP procedures. In each case a copy of the output, usually a programme/project document, must be submitted to the Policy Division as subcategory manager, together with a brief résumé of the conduct of the mission, including, if applicable, its training aspect in the country concerned. Within the first three years of the cycle, an evaluation will be undertaken.

## Funding requirements

67. Assuming that each programming mission costs about $35,000 on average (two consultants for one or two months each), it is proposed that one such mission be fielded, if requested, in each country where there is a UNDP office, that is, in about 110 countries. The sum of $3,850,000 will be earmarked over the fifth cycle period.

68. A sum of $1,150,000 will be allocated to such activities as workshops and seminars designed to explore new concepts and refine existing programming techniques, with particular emphasis on human development and the programme approach.

69. The demand for funding is likely to be concentrated in the earlier years of the cycle as programming missions are requested to develop programmes in the framework of UNDP country programmes. A total of $3,500,000 should be provided for the first two years, out of the total of $5,000,000 for the fifth cycle.

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## CATEGORY E: PROGRAMME DEVELOPMENT

Subcategory E1: Project Development Facility

Earmarking: $15 million

### General description and purpose

1. The Project Development Facility (PDF) was established for an initial experimental period in the third programming cycle in Governing Council decision 85/4 of 29 June 1985. Following its initial success, the Council agreed to increase the level of funding for the fourth cycle (decisions 87/6 of 20 February 1987, 87/25 of 19 June 1987 and 88/31 of 1 July 1988). The central focus of the PDF is to improve programme and project effectiveness through better identification and design of UNDP-assisted activities. The quality of project design has been a major concern of the Governing Council, as evaluations and audits have shown that inadequate design is often the major cause of unsatisfactory project performance. A comprehensive analytical report on the operations of the PDF in the fourth cycle was submitted to the Council at its thirty-seventh session in document DP/1990/35.

### Objectives and strategies

2. The PDF was established to support the efforts undertaken by UNDP to improve the quality and effectiveness of programmes and projects financed by the organization and, in particular, the project development aspects of that effort: project identification, formulation, appraisal and reformulation. It is intended to help develop and evaluate innovative, complex and risky project proposals, drawing upon independent and objective review, and to maintain a healthy build-up of pipeline projects necessary for effective programme delivery. To meet these objectives, the PDF will finance the costs of field missions, selected on the basis outlined in DP/1990/35, paragraph 7, and operating under general principles described in paragraphs 3 and 4. By decision 91/3 of 22 February 1991, the Council authorized the earmarking of $15 million for this facility from SPR of the fifth programming cycle.

3. The activities funded from the PDF in the fifth programming cycle will continue to focus on the formulation, appraisal and reformulation of projects when not provided for through preparatory assistance or other sources. Among its features are the following:

(a) Speed of implementation. Since PDF documentation is considerably less formal than that required for preparatory assistance, PDF missions are generally fielded in a matter of one to two months. This reflects the considerable ease of approval of PDF assistance, whereby formal agreement by the Government on a project document for this purpose is replaced by concurrence with the terms of reference of the mission;

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(b) Independence. Due to the nature of the preparatory assistance mechanism, this activity sometimes suggests the commitment of resources for project activities. The PDF is an independent source of impartial advice available throughout the project cycle. In particular, the appraisal process is greatly strengthened by objective advice, especially in cases where the comparative advantage of a particular modality of execution is not evident. Furthermore, for complex projects or those of a sensitive nature, this objectivity enables UNDP to maximize its role as a neutral partner;

(c) Additionality resources and catalytic effects. The PDF has proven effective in generating follow-up resources, most notably cost-sharing. This is particularly important for countries with small IPFs where, in the past, PDF missions have been an important catalyst in generating substantial non-IPF resources or mobilizing resources from bilateral donors and development banks;

(d) Innovation. The PDF is an effective means of assisting Governments in evaluating risky, unconventional or innovative projects, as distinct from preparatory assistance, which is often perceived as a quasi-commitment of the national IPF. While the PDF can be important in proving the feasibility of the approach suggested for a project, it can be equally valuable in identifying the weakness of a project, thereby saving considerable financial and human resources. Overall project quality is therefore greatly enhanced;

(e) Appraisal of programmes and projects. The PDF is an important means of improving the appraisal process by providing resources for review and evaluation missions outside the IPF-financed programme;

(f) Multiplier effect. Assuming that the PDF multiplier of $62 calculated for the fourth programming cycle remains constant (see document DP/1990/35), the $15 million PDF funds approved for the fifth cycle should result in the formulation of $700-800 million worth of pipeline projects, almost 25 per cent of total IPFs. With the use of the PDF in the context of the programme approach, its catalytic effect may be even more significant;

(g) Organization and structure of missions. Missions funded by the PDF will be undertaken by United Nations agency personnel, by independent consultants, and, occasionally, by UNDP technical staff. For UNDP, and in most cases for United Nations system personnel, only travel-related expenses are covered by the PDF. As a result of the gradual shift towards national execution of projects, the PDF will finance activities that strengthen national capacity to develop projects.

## General guidelines

4. Quality and impact. The PDF will contribute to the analytical framework and programme strategies from which projects are derived. In this context, the PDF is also intended as a mechanism for generating pipeline programmes/projects in country and intercountry IPF programmes. The importance for each field office of having a solid portfolio of pipeline projects at various stages of preparation is critical to maintaining a

predictable delivery profile for the IPF programme. Furthermore, a healthy project pipeline will permit the Government and the field office to attract co-financing from non-IPF sources and enhance the catalytic impact of UNDP technical cooperation.

5. Type of activities. The PDF meets the costs of missions for the following purposes:

(a) Project identification, undertaken during the country programming exercise, shortly following approval of country programmes or where a review of a project proposal so merits;

(b) Project formulation, especially of complex or technically difficult projects;

(c) Project appraisal, especially of innovative or controversial projects; and

(d) Reformulation of ongoing projects.

6. Eligibility and limitations. All country and intercountry IPF programmes are eligible for PDF resources. These are allocated to regional bureaux in proportion to the IPF distribution by region. This process assures an equitable distribution of resources, while providing some flexibility in responding to specific needs.

7. Use of United Nations system expertise. In the past, agency staff have accounted for about 26 per cent of the consultants fielded on PDF missions. During the fifth programming cycle, this figure is expected to increase, in particular in conjunction with the support costs successor arrangements which emphasize the role and functions of agencies in substantive expertise.

8. Complementarity. The PDF will complement technical support available under the TSS-2 facility of the new support cost arrangement, in accordance with decision 91/32 of 29 June 1991, annex IV, paragraph 17. This is particularly so since the Governing COuncil expected the emphasis in the use of TSS-2 to be on technical support to projects during implementation. Thus the PDF and preparatory assistance will continue to provide important funding for project formulation and design. The PDF is not intended to replace preparatory assistance mechanism in the project formulation process, but rather to complement that mechanism by offering greater flexibility and additionality of resources. Project formulation assistance may on occasion also be available from the regular budgets of the agencies.

## Specific criteria for approving the use of SPR funds

9. The selection of projects which will benefit from the PDF mechanism is primarily the responsibility of the resident representatives and Governments supported by the regional bureaux and the agencies. In making this

determination, the decision should inter alia be guided by the following principles:

(a) The PDF mission should contribute to strengthening national project development capacity. Special attention should be given to recipient countries with inadequate indigenous project design capacity;

(b) PDF activities should concentrate on projects which are developed within the framework of a sound and coherent country programme, and on sectoral, subsectoral and cross-sectoral programme strategies;

(c) The PDF will help ensure that the six areas of focus for the UNDP programme listed in decision 90/34 of 23 June 1990, paragraph 7, and the programme approach are reflected in activities financed from fifth cycle resources.

## Individual activities: design, approval and implementation

10. Each bureau will open a regional umbrella project for the amount of its PDF allocation. PDF projects are approved by the director of the regional bureau concerned after review by the bureau's PAC. Individual missions will be charged to the umbrella project. No formal government approval for an individual mission is required, but its concurrence is necessary. In the monitoring and evaluation of PDF projects, regional bureaux and field offices follow the procedures applicable to IPF-financed projects.

11. By decision 82/9 of 18 June 1982, the Governing Council established the Investment Feasibility Study Facility (IFSF) for the financing, on a reimbursable basis, of pre-investment feasibility studies, primarily in the LDCs. The Council approved the allocation of $1 million from the SPR in the third cycle for this purpose. Since 1982 the facility has financed 17 projects costing about $800,000. Of these, $140,000 allocated to four projects, which led to $75 million in investments, has been reimbursed to the facility. Investment feasibility, in the context of the principles outlined in paragraph 3 and within the framework of a sound and coherent country programme and sectoral, subsectoral and cross-sectoral programme strategies, integrates fully with the objectives of the PDF. As the IFSF has proved its utility and is achieving its main objective - to develop projects that attract local and foreign investments - it is proposed to use an additional amount up to $500,000 from funds allocated to the PDF for the replenishment of this facility in the fifth cycle.

## Funding requirements

12. It is anticipated that PDF commitments will reach some $7 million in 1992 and 1993. As most country programmes will be presented to the Council for approval in these two years, demand for funding from this facility may be even higher. The remaining $8 million will be committed in the last three years of the cycle.

Subcategory E2: Programme evaluation/training

Earmarking: $7 million

## General description and purpose

13. The purpose of programme evaluation/training is to improve the impact and effectiveness of UNDP technical cooperation activities and to assist developing countries in strengthening the monitoring and evaluation of their own development programmes.

14. The Governing Council has asked UNDP to strengthen the evaluation capacity of Governments (decisions 83/12 of 24 June 1983, 86/28 of 27 June 1986 and 88/25 of 1 July 1988).

15. Further, the Council encouraged UNDP (decisions 89/35 of 30 June 1989 and 90/14 of 22 June 1990) "to strengthen the evaluation of programme and project impact, and to further integrate it into thematic evaluation". In addition, the successor arrangements for agency support costs (decision 90/26 of 22 June 1990) clearly indicate that executing agencies will, under TSS-1, be invited to carry out or participate with UNDP in sectoral or thematic evaluations.

16. The programme will also be in line with the stipulations of Governing Council decision 90/34 of 23 June 1990, paragraphs 7 and 8.

17. Under current procedures, activities for programme quality and evaluation, including selected evaluation studies which cannot easily be financed from IPF resources, are eligible for SPR financing under the heading "programme development". The proposed programme falls entirely within these parameters.

18. The following projects using SPR were approved and executed in the current cycle:

(a) INT/85/708, Thematic evaluation of rural small industrial enterprises (RSIE), jointly carried out with the Government of the Netherlands, ILO and UNIDO ($50,568) from 1986 to 1988. A programme advisory note was prepared and issued in 1989;

(b) INT/87/702, Evaluation of the UNV programme responded to Governing Council decision 87/36 of 19 June 1987 ($94,150). Its recommendations were implemented by UNDP in 1987;

(c) INT/88/024, National monitoring and evaluation system, responding to General Assembly resolution 38/171 and Governing Council decisions 83/12 of

24 June 1983, 86/28 of 27 June 1986 and 88/25 of 1 July 1988 was developed to provide interested Governments with an analytical description of their respective monitoring and evaluation capacities ($252,000). To date, seven Governments have benefited from this project. In general, the recommendations made at the country level have been found useful by the respective Governments and these experiences are being published as monographs for the benefit of other countries;

(d) INT/88/721, Operational activities ($9,000), responding to General Assembly resolution 42/196 of 11 December 1987 was a vehicle to enable the Central Evaluation Office to provide findings and recommendations on the issue of effectiveness of programmes supported by UNDP in strengthening the capacity of developing countries to coordinate external assistance;

(e) INT/89/708, Evaluation of mid-term review country programme process, which responded to Governing Council decision 88/13 of 19 February 1988 ($69,000). The evaluation report was presented to the Governing Council at its thirty-sixth session (1990). New guidelines were developed on the basis of these recommendations;

(f) INT/88/720, Ex-post evaluations under which evaluations in Ethiopia and Indonesia were conducted ($60,000). The results of these evaluations were reported to the Governing Council in document DP/1989/71 and discussed with the respective Governments;

(g) INT/88/709, Ex-post evaluation of institution-building components in urban sector projects led to a final report in October 1991 ($60,000). INT/89/710, Ex-post evaluations, follows on the earlier project INT/88/720 ($155,000). In Africa, capacity created in soils institutions through transfer of technology and manpower training was evaluated. The findings, which were not satisfactory, were presented to the Governing Council at its thirty-sixth session (1990). In Cameroon, the impact, efficiency and effectiveness of some institutions which have received previous UNDP assistance were assessed. The findings of this study were presented to the Government of Cameroon, which endorsed its conclusions. In Brazil, the UNDP technical assistance programme in human development is being evaluated. A joint evaluation with ITC on the product/market development component in UNDP-funded projects is ongoing. In Indonesia an evaluation of institution-building projects dealing with the environment is ongoing;

(h) INT/90/707, Programme, policy and process evaluations ($300,000), is funding: the evaluation of aid coordination in LDCs as requested by the Governing Council (decision 90/51 of 22 June 1990); the review of high-tech projects in China and India; and an assessment of a project in China designed to assist the Government in project formulation.

19. All these evaluations have had, or are expected to have, an impact on the design and management of UNDP technical cooperation.

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## Objectives and strategies

20. The nature of evaluation changes as UNDP moves from project- to programme-level concerns and programme-oriented mechanisms. It promotes greater decentralization of authority to the field offices, develops the national execution modality and engages increasingly in policy dialogue including the six thematic areas of focus (listed in Governing Council decision 90/34 of 23 June 1990) related to human development. Programme evaluation training will enable the Central Evaluation Office to:

(a) Respond to an increasing range of substantive concerns for policy, strategy, programme and process evaluations, which will help to support the new thrusts in UNDP activities;

(b) Draw lessons from the project cycle and disseminate them;

(c) Analyse the results of new technical cooperation approaches and make recommendations on their application;

(d) Strengthen capacity-building efforts of recipient countries for monitoring and evaluation; and

(e) Promote further transparency in UNDP programmes.

## General guidelines

21. The results achieved in implementing this programme will be used to improve the quality and impact of projects and programmes both directly and indirectly.

22. The following are activities to be financed:

(a) Objective 1 ($2.2 million):

(i) Evaluations and associated activities for each of the six themes relating to human development and capacity-building under decision 90/34 of 23 June 1990 including thematic and cluster evaluations, case studies and monitoring systems; and

(ii) Policy and process evaluations, resulting from requests of the Governing Council or UNDP senior management;

(b) Objective 2 ($1.9 million):

(i) Assessment of impact and sustainability of results at the project and programme levels through ex post evaluation; and

(ii) Development of evaluation data banks and dissemination of lessons at the field level;

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(c) Objective 3 ($0.5 million): Special studies on assessment of results in non-project settings, involving new technical cooperation approaches and their application, including participatory evaluation, national execution, programme approach and linkage between technical cooperation and capital assistance;

(d) Objective 4 ($1.4 million):

(i) Monographs on monitoring and evaluation capacities of selected countries; and

(ii) Seminars, training courses and study tours to assist developing countries in monitoring and evaluation;

(e) Objective 5 ($1 million): Joint evaluations with donors, recipient countries and executing agencies.

23. All countries will be eligible. Under objective 4, priorities will be given to countries not already served through previous SPR-funded activities. In the use of SPR, no conditions will be applied other than the normal requirements of UNDP programmes. The activities of UNDP under the programme are not subject to conditions of any other organization.

24. In order to ensure an equitable regional balance in administering the funds available under the programme, no more than 50 per cent of the resources will be allocated to programmes located exclusively in any one region. Results of activities funded under this programme will be accessible to all countries. This programme should be, to the extent possible, demand-driven from the recipient Governments, the Governing Council and UNDP operational units.

25. In the field of monitoring and evaluation, each United Nations agency has developed expertise in selected areas. An inter-agency working group on evaluation was established under the chairmanship of UNDP, where exchange of information, dissemination of lessons and joint evaluations are regular items for discussion. Objective 5 of this programme is for the purpose of reinforcing cooperation with United Nations agencies in sectoral/thematic evaluations to be funded by TSS-1 in the future.

26. Evaluation is also intended to strengthen the accountability of the Administrator for project and programme performance. The desirability of using United Nations system expertise will be examined on a case-by-case basis.

27. Country IPFs are the logical source of funds for follow-up activities resulting from recommendations arising under objective 4.

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## Specific criteria for approving the use of SPR funds

28. In addition to the general criteria defined for the use of SPR funds, activities under this programme are also subject to the following additional criteria:

(a) Human development concerns should be reflected in preparing studies and evaluations funded under this programme;

(b) Evaluations are generally designed to consider issues beyond the individual project level, except for those under objective 2;

(c) All activities under this programme are to be undertaken under the substantive and managerial responsibility of chief executive officer;

(d) Use of national experts will be encouraged.

## Individual activities: design, approval and implementation

29. The project document will indicate the specific objectives of the project, the planned outputs, the activities carried out, the inputs, the tentative work plan, a budget (which will also provide an estimated cost for each output) and the sources of expertise envisaged, including gender reference if applicable. Modalities of implementation will be spelled out.

30. The draft project document will be sent for comments to the units concerned and will be presented to the BPPE PAC. After review, the finalized project document will be submitted to the Action Committee for approval.

31. The Administrator's annual report on evaluation to the Council will provide information on the outputs of programme implementation and on the use of these results.

32. It is proposed that an independent evaluation of the programme be undertaken in the third year of the fifth cycle and the ensuing report be submitted to the Council at its following session.

## Funding requirements

33. The following are the funding requirements:

(a) Over the fifth cycle: $7 million

(b) Over the next two years: $2.6 million

Subcategory E3: Programme research

Earmarking: $7 million

## General description and purpose

34. The purpose of the research programme is to contribute to the strengthening of UNDP technical cooperation in such a way that the programme more effectively builds national capacity in developing countries. During the fourth programming cycle, $2.5 million was allocated to research from SPR. A $1.2 million project covering 1988 and 1989 was formulated, with an extension to cover 1990 and 1991. During the 1988-1989 period resources from the research programme were transferred to the UNDP Human Development Report and to the preparation for WCEFA.

35. In 1987 and 1988, the following research topics were approved on the basis of in-house consultations: structural adjustment; credit for the poor; debt; education and training; impact of macroeconomic policies on the rural poor; and technical cooperation and agriculture. Six of these studies have been published as UNDP discussion papers with wide distribution to UNDP offices, Governments and the international development community. By examining the effectiveness of past experience of technical cooperation, these studies are continuing to contribute to programme development for the fifth programming cycle. Two other studies are still being prepared: the transition to market-based economic systems in Eastern Europe; and the role of the State in creating an environment for the development of the private sector, both due for completion during 1991.

36. In the fifth cycle, the research programme will initiate, finance and organize studies of technical cooperation, which will assess the effectiveness of particular forms of technical cooperation and develop new bases for monitoring achievements. UNDP's capacity to respond to new challenges and priorities must be based on a continuing analysis of the extent to which technical cooperation has enhanced the well-being of people in developing countries. In addition to the usefulness of the research in producing lessons directly relevant for UNDP, the programme will also strengthen research capacity in developing countries, by involving and developing networks of researchers and research institutions for its implementation. This will be a key feature of the research programme in the fifth cycle, which was not emphasized adequately in the fourth cycle. There will also be an emphasis on inter-agency cooperation, involving bilateral as well as multilateral agencies in the development and guidance of the research.

## Objectives and strategies

37. The objectives of the research programme are: (a) to strengthen UNDP's capacity to anticipate and develop new areas and modalities for effective technical cooperation; and (b) to analyse existing areas of technical cooperation and increase its effectiveness.

38. The strategies include: (a) enhancing the capacity of research institutions in developing countries, through their active involvement in the research; and (b) improving the coordination and cooperation between UNDP and bilateral and multilateral institutions, by developing collaborative research aimed at enhancing aid effectiveness.

39. Research will be initiated on a number of major themes, closely related to the activities of UNDP: national capacity, women in development, poverty alleviation and economic transition, the basis of measurement of social indicators, and analyses of the effects of alternative forms of technical assistance.

40. The strategy to be adopted for the research programme will be as follows: the research will be initiated, coordinated and monitored by UNDP, with much of the research itself undertaken by researchers and research institutions in the developing countries. The process of internalization of research results and policy analysis within UNDP will be pursued by means of publications and regular seminars and workshops, at which research results will be presented and their relevance to the work of UNDP discussed. The overall tasks of identification, coordination and monitoring will be undertaken by UNDP headquarters, with the active participation of field offices and national researchers and research institutions in supporting the involvement of research networks, organization of workshops, and dissemination of the results. For each of the subprogrammes, a consultative committee will be established, which will include prominent academics in the field, to ensure that the research builds upon and does not duplicate existing or ongoing work.

## General guidelines

41. The research will consist of a series of subprogrammes in the following areas:

(a) National capacity. The development of national capacity for self-reliant development is the major purpose of all UNDP technical cooperation activities. Much existing methodology focuses on the assessment of individual institutions, rather than on aggregate capacity for policy-making and institutional reform. To assess the extent to which capacity-strengthening activities are successful, the research programme will initially aim to develop quantitative and qualitative indicators of capacity. In document DP/1990/18, "Indicators for national capacity-building", an attempt was made to identify some of the issues involved. It was argued that a definition of national capacity for the purposes of measurement must include economic, social, institutional, scientific/technological and human resource dimensions. Areas identified for further research in the discussion with the Governing Council included: techniques of measurement of capacity, involving data collection and analysis, and innovative modes of utilization of existing data; the effects of different institutional forms of delivery of public goods; subregional analyses of institutional variations; and the assessment of policy-making capacity, involving an analysis of demand as well as supply.

Close links will be established with other UNDP activities, such as the ongoing process of evaluation, the work of the Management Development Programme and activities jointly undertaken with other multilateral agencies such as the African Capacity Building Initiative. National consultants and institutions will be actively involved in the research. The research will produce country studies, analytical papers and guidelines.

(b) Women in development. This subprogramme will examine how technical cooperation can contribute more effectively to sustained improvements in women's empowerment and economic autonomy. The research will also assist UNDP in supporting Governments' efforts to understand the impact of technical cooperation activities on women's lives, and in supporting improvements in the design of national policies to enhance the status of women. In General Assembly resolution 44/171 of 19 December 1989 it is recognized that "for many women, in particular in the developing countries, the evolution of the economic and social situation during the 1980s has not resulted in the benefits anticipated at the beginning of the decade". As a major funding agency for technical cooperation, UNDP must attempt to understand why, despite four decades of development assistance, the economic and social situation of women remains subordinate to that of men in most countries. The issues to be addressed include: the extent to which existing programmes targeted towards women reinforce the sexual division of labour and existing distributions of income and assets between men and women; the extent to which women benefit from non-targeted projects and programmes; and the effects of different mechanisms of programme design. Links will be developed with existing UNDP activities, with other United Nations agencies, including INSTRAW, and with those bilateral donors most active in this area. Much of the research will be undertaken by national consultants and research institutions. The output will include country studies, general papers and guidelines.

(c) Poverty alleviation and economic reform. In most parts of the world, the 1980s were a period of adjustment to changing global economic conditions, along with a significant rise in the number of persons whose living standard fell below national minimum levels. For UNDP the challenge is to achieve its objective of strengthening national capacity to alleviate poverty in the context of continuing economic transition. Economic adjustment is a much-studied process, but for UNDP the crucial issues raised by the process are its social and institutional dimensions, in particular the impact of economic transition on the poor. The end of the 1980s has been characterized by much discussion of the social dimensions of adjustment, and although most agencies and Governments agree on their importance, the operational implications are not clear. UNDP involvement in the Africa Regional Project "Social Dimensions of Adjustment" (SDA) has provided the basis for further work in this area. There are many complex issues involved in supporting national strategies for poverty alleviation, in both the short and longer term, concerning: "social nets" and their sustainability, the identification of target groups, the development of sustainable databases to monitor trends in living standards of the poor, the potential for improved targeting, the safeguarding of access to basic services by the poor in the context of widespread introduction of user charges, strategies for enhancing the access of the poor to productive assets and support to participatory forms of organization which empower the poor. In conjunction with the programme of work under poverty alleviation and participatory development, and with the second phase of the SDA project, the research programme will examine the impact of UNDP and other donor activities in this area. Research collaboration with United Nations agencies and national researchers will produce country and regional studies and support to UNDP efforts at the country level.

(d) Measurement of social indicators. Considerable work is being done within the United Nations system to support the development of social indicators, and UNDP is contributing to this work in a variety of ways, including the formulation of the Human Development Index. However, not enough has been done to ensure that national authorities have access to this work in a readily usable form, and even less has been done on such issues as the identification of reasonable proxies during the process of strengthening of national statistical databases. The research will aim to promote better understanding of methods of calculation of social indicators; more widespread and accurate use and interpretation of existing data; and the development of operational proxy variables which will assist in the immediate assessment and monitoring of poverty during the establishment of a national database. This work will involve linkages with the continuing work of the Human Development Report and will be undertaken in cooperation with the United Nations Statistical Office and UNRISD.

(e) Alternative forms of technical cooperation. The forms and methods of technical cooperation have changed over time and vary across agencies. It is widely accepted that traditional approaches to technical cooperation have been costly, have rarely resulted in capacity-building, and have frequently created dependence on outside expertise rather than national self-reliance. Alternative approaches are being practised by different agencies, and the aim of the research is to examine how successfully these different approaches function in a variety of countries facing different problems. The research will involve cooperation with other agencies, including DAC, to examine different forms of technical cooperation and to develop guidelines to improve effectiveness. This work will be undertaken by national institutions and researchers and will result in analytical papers and guidelines.

## Specific criteria for approving the use of SPR funds

42. The criteria for approving the use of SPR funds for research within each subprogramme are as follows:

(a) Relevance to formulation, implementation or monitoring of ongoing or future capacity-building activities financed by UNDP;

(b) Use of national research expertise, development of research networks and proximity to problems at the national level;

(c) Enhancement of inter-agency linkages, involving bilateral as well as multilateral agencies; and

(d) Strengthening technical cooperation in general.

## Individual activities: design, approval and implementation

43. The research programme will be coordinated by PD/BPPE, which will develop a project document in consultation with other agencies and development professionals. The project document will be submitted to a BPPE PAC and to the Action Committee for approval. For each subprogramme a Consultative Committee will be established involving development professionals with expertise in the area, along with UNDP and other agency representation. The Consultative Committee will provide continuing guidance for the implementation of the programme, as well as monitoring. It will also prepare a work programme with clear monitoring targets and performance indicators. An evaluation of the programme will be undertaken within the first three years.

## Funding requirements

44. The funding requirements are the following:

(a) Over the first two years: $4 million, with review and approval of pipeline projects for the remaining 2 years; and

(b) Over the fifth cycle: $7 million.

Research costs include preparing and distributing publications and conducting seminars and workshops. They also include undertaking the research itself and coordinating the programme.

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## CATEGORY F: ASSISTANCE TO THE PALESTINIAN PEOPLE

Earmarking: $15 million

### General description and purpose

1. The UNDP Programme of Assistance to the Palestinian People (PAPP) has, from the commencement of its operational activities in 1980, been funded through SPR, supplemented by resources from bilateral agencies and other international organizations. SPR have been allocated as follows: second cycle (1980-1981) $3.5 million; third cycle (1982-1986) $10 million; fourth cycle (1987-1991) $12 million. In February 1991 at its special session, the Governing Council approved an earmarking in the amount of $15 million to PAPP for the fifth cycle (1992-1996).

2. The specific objective of PAPP is to provide capital and technical cooperation to Palestinian residents in the occupied Palestinian territories (West Bank and Gaza Strip). Because of the unique circumstances under which UNDP is required to operate in this area, the Governing Council in 1986 authorized certain flexibility in the application of UNDP rules and regulations in project implementation. Examples include support to capital assistance activities, procedures for the award of contracts to Palestinian firms, the signature of project documents by one party (the Administrator or the Associate Administrator), and so forth.

3. While the level of PAPP activities has expanded in recent years, especially in 1990 when the delivery of development assistance exceeded $11 million, current circumstances in the West Bank and Gaza Strip call for even more intensified assistance, especially focused on the rapid expansion of employment opportunities for Palestinians and measures to stimulate industrial and agricultural production. Therefore, in addition to the SPR financing available during the fifth cycle, supplementary funding through voluntary contributions will be sought in substantial amounts.

### Objectives and strategies

4. The unique challenges imposed in the delivery of technical and capital assistance to a population under occupation are complex and require a high degree of skill and sensitivity, and the use of innovative programming and operational modalities. The innovative approaches used in programming, project design and implementation, the mix of capital and technical cooperation and the specific role played by the UNDP office in Jerusalem may allow UNDP to identify new and more effective ways to apply its assistance in other areas.

5. The economy of the West Bank and Gaza Strip were characterized as very weak up until the Gulf crisis, with little indication of future expansion. Since the crisis the region has been experiencing even more severe economic, and especially employment, dislocations and downturns. This situation now

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requires PAPP to utilize more dynamic and innovative programme and organizational approaches in dealing with the worsened conditions in the area.

## General guidelines

6. Projects will continue to be selected in accordance with the resolutions and decisions of the General Assembly, the Economic and Social Council and the Governing Council. They will be scrutinized to ensure their particular relevance to the development requirements of the Palestinian people. Because of the small geographical size of the area and the relatively large number of capital projects which require site engineers, quality control measures have been effective. The Jerusalem-based UNDP staff also play an important role in monitoring project quality and impact.

7. Since the preparation in 1991 of information about the UNDP Programme of Assistance to the Palestinian People contained in document DP/1991/64/Add.2, a number of developments have occurred which should enhance the quality, focus and scope of UNDP activities in the occupied Palestinian Territories. These developments are discussed in the following paragraphs.

8. In July 1991, a senior UNDP official with considerable experience as a resident representative in several field offices as well as senior management responsibilities at headquarters became head of the UNDP office in Jerusalem, with the new title of Special Representative of the Administrator. In addition, it is envisaged that there will be a Deputy to the Special Representative of the Administrator beginning in 1992. Both appointments will strengthen the programming and management capacity of this UNDP office.

9. In August-September 1991, as envisaged in the 1991 work plan of the UNDP Division for Audit and Management Review, a management audit was carried out. Its recommendations have already resulted in a number of improvements and strengthening in both the administration and programming of activities carried out by the PAPP.

10. In May 1991 the Director of the Programme, on behalf of the Secretary-General of the United Nations, led an inter-agency economic mission to the occupied Palestinian territories. Representatives from WFP and ILO headquarters participated in the mission as well as locally based representatives of UNRWA, UNICEF and WHO. In addition, in August 1991, FAO conducted a field mission to the area which has provided additional recommendations for programme support in the agricultural sector.

11. The principal objective of the May 1991 mission was to develop immediate income-generating projects and to identify the data-gathering and analysis required for sustainability of income- and employment-generation. The result of this exercise has been to bring considerably greater focus to future UNDP activities than did the budgetary estimates contained on page 100, paragraph 14, of DP/1991/64/Add.2. (These estimates were an explanation of fourth cycle activities, utilizing standard ACC nomenclature, without the benefit of the developments cited above.)

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12. As a follow-up to the May mission, the Special Representative of the Administrator has undertaken needs assessment exercises in various sectors to determine a more coherent and pragmatic approach to development priorities than has been possible in the past. Assistance in statistical analysis will be provided by the National Household Survey Capacity Programme, executed by DTCD. Although this exercise has not yet been completed, it is clear that the utilization of SPR in the fifth cycle will be in the areas of employment and income-generation, water resources management, agricultural development and water supply and sanitation. In view of the management audit mentioned above, and once a revised programme is in place, i.e., no later that during the first six months of 1992, the independent external assessment originally envisaged for late 1991 will be carried out.

13. In addition to the activities mentioned above, two others have taken place in mid-1991 which will affect PAPP and, by implication, the use of SPR. First, an information exchange mechanism has been instituted by the Special Representative of the Administrator, which involves the participation of virtually all organizations - multilateral, bilateral and non-governmental - involved in the provision of development assistance in the occupied Palestinian territories. If this mechanism is successful, it will help to ensure better coordination and more effective use of funds for all concerned, including UNDP. Secondly, in terms of programme planning, it is the intention of UNDP to step up its efforts to develop catalytic projects through the use of SPR. These will attract increased collateral financing from other sources, thereby increasing the overall delivery of assistance through UNDP.

14. Activities will continue to be limited to the occupied Palestinian territories and all project activities will continue to be carried out under the official regulations in effect in that area.

15. From the initiation of activities, PAPP has sought to involve the expertise of all elements of the United Nations system which wished to contribute to the work of the programme. A variety of modalities have been developed to ensure this involvement in light of the fact that, with few exceptions, United Nations organizations do not have a permanent presence in the area.

16. In a few instances, especially in the area of health, water and sanitation, PAPP has benefited from programmes supported by interregional and global IPFs.

## Specific criteria for approving the use of SPR funds

17. All proposed PAPP projects, whether or not funded by SPR, are recommended for approval by the Administrator or the Associate Administrator after a thorough consultation and appraisal process.

## Individual activities: design, approval and implementation

18. Projects designed, approved and implemented by PAPP will conform, mutatis mutandis, to procedures used for country IPF resources with the exception noted above that final approval authority is vested solely with the Administrator or Associate Administrator.

## Funding requirements

19. Based on the planning and analysis noted above in paragraphs 10 and 11, it is tentatively estimated that the $15 million of SPR funding will be utilized at the rate of approximately $3 million per year for each year of the fifth cycle. The anticipated sectoral breakdown of expenditures by percentage is as follows:

| Sector | Percentage |
|---|---|
| Employment/income-generation | 30 |
| Water resource management | 25 |
| Water supply and sanitation | 20 |
| Agriculture | 20 |
| Other sectors based on identified needs | 5 |

20. If current trends continue, it is also estimated that approximately 60 per cent of available financial resources will be used in the Gaza Strip and 40 per cent in the West Bank.

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